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SALES & MARKETING MANAGEMENT

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1988 SURVEY OF SELLING COSTS

SECTION I: METRO SALES COSTS

SECTION II: COMPENSATION

SECTION III: SALES MEETINGS & SALES TRAINING

SECTION IV: SALES SUPPORT & INCENTIVES

SECTION V: TRANSPORTATION

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SALES & MARKETING MANAGEMENT

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FEBRUARY 22, 1988

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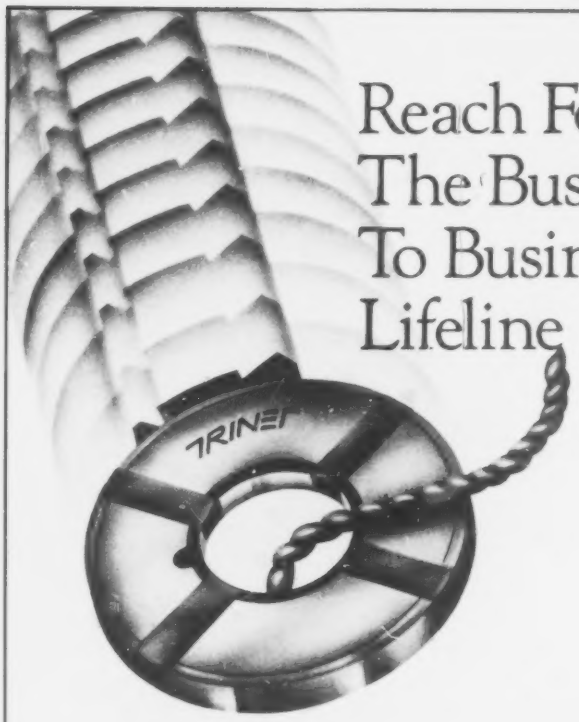

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SECTION I

METRO SALES COSTS

MEASURING SALES CALL EFFICIENCY: CHICAGO VS. LOUISVILLE

Not all sales territories are created equal. Here's how to make sure you're comparing operating costs in a way that's fair to all.

BY RICHARD KERN,
EDITORIAL DIRECTOR, S&MM SURVEYS

Data from Sales & Marketing Management's *Survey of Selling Costs* can be used to solve an infinite number of sales-related problems, particularly those that relate to the operations of salespeople in the field. One of these myriad uses involves the development of something called the **Sales Call Efficiency Index**, a measure that illustrates the relative effectiveness of salespeople assigned to territories with different cost characteristics.

In order to compare cost-per-call ratios from your various territories more fairly, it's important that the differences between local markets be examined in depth. Here, for example, we'll look at two different metro areas—Chicago (with above-average daily costs) and Louisville, KY (with below-average costs)—showing how the construction of an SCEI can help you better evaluate the performance of your salespeople in their individual markets.

First of all, some of the elements described in **Table I-5** must be computed, and the formulas you'll need to do this are diagrammed in **Tables I-1**, **2**, and **3**, followed by **Table I-4**, which contains territory concentration data. The various steps involved in gathering these statistics and building an SCEI are then explained briefly below:

1. COMPUTING CALL PATTERNS (TABLE I-1). Preliminary information on your salespeople's call patterns can be gathered either by totaling the number of calls listed on the salesperson's call reports (entered under Actual Calls Reported) or by multiplying the Average Calls Per Day by the number of days the salesperson spends in the field (Total Days In Field), which gives you an Estimated Total Calls figure. Whichever formula is used, the annual total for each salesperson should then be entered under Actual Or Estimated Calls Per Year.

TABLE I-1

Computing Call Patterns

	ESTIMATED CALLS PER YEAR				
SALESPERSON	ACTUAL CALLS REPORTED	AVERAGE CALLS PER DAY	TOTAL DAYS IN FIELD	ESTIMATED TOTAL CALLS	ACTUAL OR ESTIMATED CALLS PER YEAR

2. COMPUTING DIRECT SALES COSTS (TABLE I-2). Company financial records will provide most of the necessary information on Base Salary and Bonus or Commissions paid. Data on Auto Expenses, T&E (Travel & Entertainment) Expenses, and Other Expenses can usually be obtained from expense account reports or from the data contained in Table I-10, *Selling Costs in 86 Major U.S. Markets*. By adding all these components, you will arrive at a figure that reflects the salesperson's Total Direct Sales Costs.

TABLE I-2

Computing Direct Sales Costs

SALESPERSON	BASE SALARY	+	BONUS OR COMMISSION	+	AUTO EXPENSE	+	T&E EXPENSE	+	OTHER EXPENSES	=	TOTAL DIRECT SALES COSTS

3. COMPUTING PER-CALL COSTS (TABLE I-3). Using the summary data from Tables I-1 and I-2, you can now calculate an approximate cost-per-call figure for each salesperson by dividing Total Direct Sales Costs by the Actual Or Estimated Calls Per Year figure.

TABLE I-3

Computing Per-Call Costs

SALESPERSON	TOTAL DIRECT SALES COSTS	÷	ACTUAL OR ESTIMATED CALLS PER YEAR	=	UNWEIGHTED COST PER CALL

4. TERRITORY CONCENTRATION FACTOR (TABLE I-4). Because of differences in geography, number and type of accounts, and customer concentration (or dispersal), it can safely be said that no two sales territories are exactly alike. Using this table, however, you can compensate for this diversity by assigning "weights" to the average number of calls per day for the salesperson or territory in question. To do this, you first need to develop an average number of calls per day figure for your entire sales force, which is then charted on the Standard Average Calls Per Day axis at the left of the table. Next, using the Territory Concentration Factor data, you can "equalize" the differences in the average number of sales calls in different territories. This procedure is explained in greater detail in the comparison of the Chicago and Louisville metros which follows.

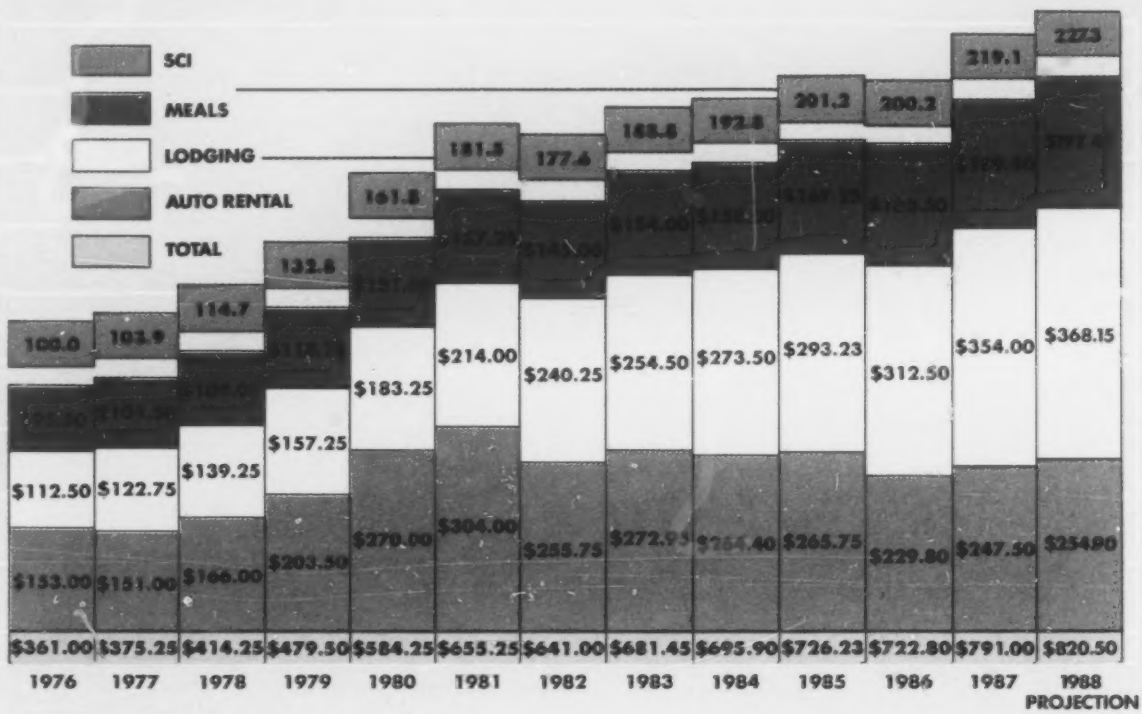
TABLE I-4

Territory Concentration Factor

STANDARD AVERAGE CALLS PER DAY	AVERAGE CALLS PER DAY FOR TERRITORY									
	10	9	8	7	6	5	4	3	2	1
10	1.00	1.11	1.25	1.42	1.66	2.00	2.50	3.33	5.00	10.00
9	.90	1.00	1.12	1.28	1.50	1.80	2.25	3.00	4.50	9.00
8	.80	.88	1.00	1.14	1.33	1.60	2.00	2.66	4.00	8.00
7	.70	.77	.87	1.00	1.16	1.40	1.75	2.33	3.50	7.00
6	.60	.66	.75	.85	1.00	1.20	1.50	2.00	3.00	6.00
5	.50	.55	.62	.71	.83	1.00	1.25	1.66	2.50	5.00
4	.40	.44	.50	.57	.66	.80	1.00	1.33	2.00	4.00
3	.30	.33	.37	.42	.50	.60	.75	1.00	1.50	3.00
2	.20	.22	.25	.28	.33	.40	.50	.66	1.00	2.00
1	.10	.11	.12	.14	.16	.20	.25	.33	.50	1.00

5. BUILDING A SALES CALL EFFICIENCY INDEX (TABLE I-5). From the computations performed in steps 1 through 3, we have determined that the Louisville salesperson has Total

The U.S. Selling Cost Index: Field Expenses on the Rise Again



NOTES: The Selling Cost Index is calculated by multiplying the national averages for the three SCI components—**Meals, Lodging,** and **Auto Rental**—by 5 days (a typical week in the field), producing the individual weekly totals that are then added together, resulting in a combined weekly **Total** for the three basic components. For 1987, the formula would be $189.50 + $354.00 + $247.50 = $791.00. The SCI is then calculated by dividing the 1976 base year Total ($361.00) into the corresponding weekly Total, producing the index figure for each subsequent year. For 1987, the calculation of $791.00 ÷ $361.00 produces an SCI of 219.1. The 1988 Projection of the SCI is based on data from hotel/motel research specialist Smith Travel Research, which projects a 4% increase in Lodging rates during 1988. Occupancy rates, which increased by 1.1% last year, are expected to continue to rise. Increases are also being projected for the cost of Meals, where the average weekly total for field salespeople is expected to rise by 4.2%. According to the National Restaurant Association, this is partially due to a 1½%–2% increase in wholesale food prices, a 4% rise in labor costs, and a 4.6% increase in overhead. Auto Rental rates, which increased by 7.7% in 1987, are expected to rise by around 3% during 1988, according to analysts at Runzheimer International, the Rochester, WI-based transportation consulting organization.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.* © Sales & Marketing Management

Direct Sales Costs of $60,000 and makes 850 Calls Per Year. The Chicago salesperson, on the other hand, has Total Direct Sales Costs of $80,000 and makes 1,350 Calls Per Year. By dividing the Calls Per Year into the Total Direct Sales Costs for each salesperson, we arrive at an Unweighted Cost Per Call for Louisville of $71 as opposed to $59 for Chicago. At first glance, it appears that the Chicago salesperson is managing expenses much better than the salesperson in Louisville. However, a fair evaluation of the performance of each of these salespeople must recognize that Chicago and Louisville are two radically different markets in terms of their cost of operations. A first step towards developing a Sales Call Efficiency Index that will compensate for differences in meal costs, room rates, and other expenses involves finding the Territory Concentration Factor for the sales force as a whole, as well as for the salespeople in the territories involved.

TABLE I-5

Building a Sales Call Efficiency Index

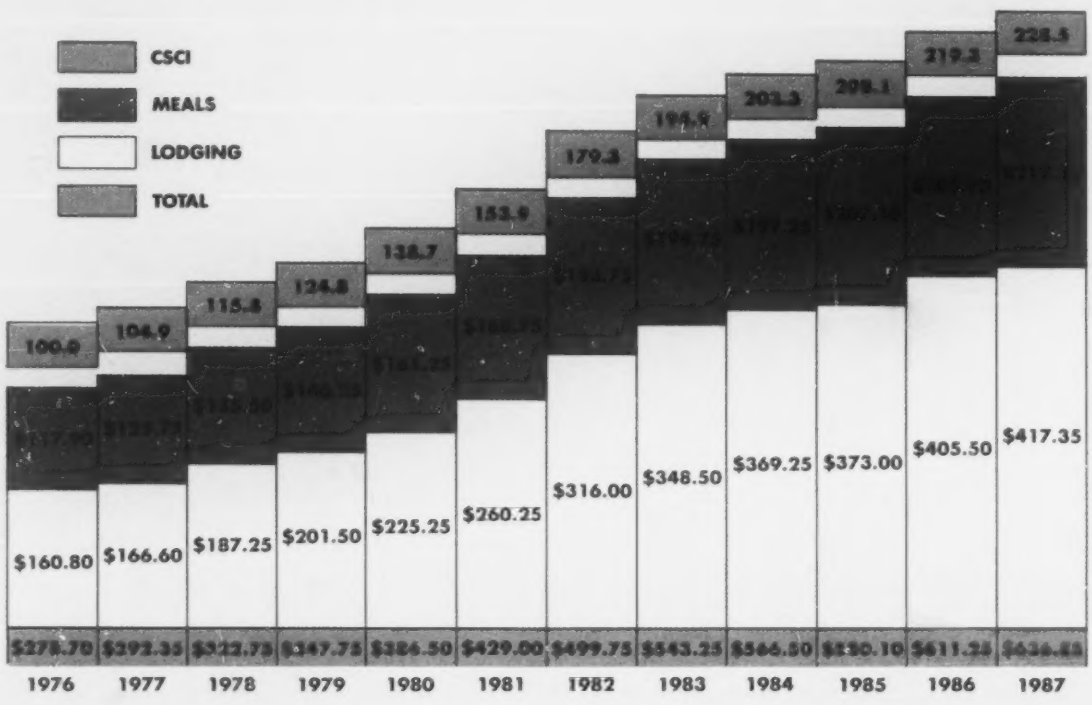
TERRITORY/ METRO	TOTAL DIRECT SALES COSTS	CALLS PER YEAR	UNWEIGHTED COST PER CALL	TERRITORY CONCENTRATION FACTOR (TCF)
Chicago	$80,000	1,350	$59.00	0.71
Louisville	$60,000	850	$71.00	1.66

	PER DIEM INDEX	WEIGHTED PER DIEM INDEX	SCEI COST PER CALL	WEIGHTED SCEI COST PER CALL
Chicago	152	0.66	$55.00	$69.00
Louisville	79	1.27	$54.00	$47.00

Assuming that your sales force as a whole averages 5 calls per day, we then use the Territory Concentration Factor table to chart this figure on the left-hand axis (Standard Average Calls Per Day). With these data in hand, you find that the Average Calls Per Day For Territory figure (7 for Chicago) shows a TCF of 0.71, while Louisville (with an average of 3 calls per day) has a TCF of 1.66.

Next, we record the Per Diem Index for each metro as

The Canadian Selling Cost Index: Costs Are Up, Up There Too



SOURCE: *Sales & Marketing Management Survey of Selling Costs.*
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Notes: All figures are shown in Canadian dollars.

listed in Table I-10, *Selling Costs in 86 Major U.S. Markets*. Chicago's Per Diem Index is 152, while Memphis's is 79. By dividing each of these numbers into 100 (the U.S. average Per Diem Index), you then produce a Weighted Per Diem Index for each metro—0.66 for Chicago and 1.27 for Louisville—which is then entered in the next column.

It is now possible to construct an SCEI Cost Per Call figure for each metro using the following equation:

$$\frac{\text{Total Direct Sales Costs} \times \text{Weighted Per Diem Index}}{\text{Calls Per Year} \times \text{Territory Concentration Factor}} = \text{SCEI Cost Per Call}$$

For Chicago, the calculation would be:

$$\frac{\$80{,}000 \times 0.66}{1{,}350 \times 0.71} = \frac{\$52{,}800}{958.5} = \$55.09$$

For Louisville:

$$\frac{\$60{,}000 \times 1.27}{850 \times 1.66} = \frac{\$76{,}200}{1{,}411} = \$54.00$$

This reveals that on an adjusted basis, the SCEI Cost Per Call for Chicago is $55.09, while in Louisville the figure would be $54.00. By using this formula, what was originally more than a $10 difference (in the Unweighted Cost Per Call) has now been cut to only $1.09.

The SCEI Cost Per Call can be further refined by allowing for the differences in field sales expenses for individual metros, producing a final Weighted SCEI Cost Per Call. By using the data in Table I-2 to separate your salespeople's compensation from other expenses, you find that the Chicago salesperson had a total compensation of $42,000 plus $38,000 in expenses, while the Louisville salesperson had a compensation/expenses split of $35,000 and $25,000. A Weighted SCEI Cost Per Call figure can then be calculated by multiplying each salesperson's expenses by the Weighted Per Diem Index and adding it to his compensation, and then dividing the resulting total by the above-mentioned equation, according to the following formula:

For Chicago:

$$\frac{\$42{,}000 + (\$38{,}000 \times 0.66)}{1{,}350 \times 0.71} = \frac{\$67{,}000}{958.5} = \$69.98$$

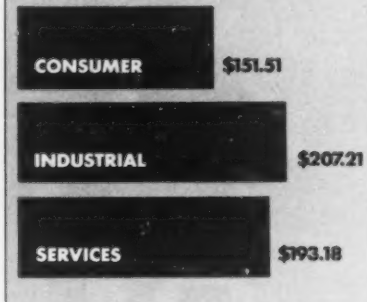
For Louisville:

$$\frac{\$35{,}000 + (\$25{,}000 \times 1.27)}{850 \times 1.66} = \frac{\$66{,}750}{1{,}411} = \$47.31$$

The resulting totals reveal that the average cost of a sales call in Chicago—once more than $10 *lower* than that of Louisville—is actually more than $22 ***higher*** when territory concentration and field sales expenses have been properly factored in. This just goes to show that before you rely on the simple answer to the question of your salespeople's cost per call numbers, remember that the subtle differences in markets and territories can often be deceiving.

TABLE I-6

Median Cost Per Call by Industry: 1987



SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

TABLE I-7

Calculating Call Patterns

TYPE OF SALESPERSON	MEDIAN CALLS PER TERRITORY PER DAY A	B	EST. DAYS IN FIELD PER YEAR	MEDIAN CALLS PER TERRITORY PER YEAR A	B
CONSUMER					
Range	3-6	2-4	187	561-1,122	374-748
Median	4.5	3		841.5	561
INDUSTRIAL					
Range	3-5	2-4	187	561-935	374-748
Median	4	3		748	561
SERVICE					
Range	4-8	2-5	187	748-1,496	374-935
Median	6	3.5		1,122	654.5

NOTES: Territory A is defined as a metro area where customers are heavily concentrated and the salesperson can easily make multiple calls, or as a philosophy that emphasizes a maximum number of calls. **Territory B** reflects a territory where customers are dispersed and more time is spent traveling between calls. **Estimated Days In Field Per Year** is based on 5 days x 52 weeks per year, less one day per week of office/non-field work, 6 holidays, and 15 days vacation/sick leave. **Median** is the midpoint in each set of ranges.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

TABLE I-8

Average Direct Sales Costs

TYPE OF SALESPERSON	RANGE & MEDIAN COMPENSATION	+	RANGE & MEDIAN FIELD EXPENSES	=	TOTAL DIRECT SALES COSTS
CONSUMER					
Range	$23,000-$75,000		$2,000-$30,000		$25,000-$105,000
Median	$49,000		$16,000		$65,000
INDUSTRIAL					
Range	$19,000-$102,000		$1,000-$45,000		$20,000-$147,000
Median	$60,500		$23,000		$83,500
SERVICE					
Range	$13,000-$110,000		$5,000-$30,000		$18,000-$140,000
Median	$61,500		$17,500		$79,000

NOTES: The **Range** of Compensation and Expenses for the three types of salespeople (Consumer, Industrial & Service) was calculated from data collected by *Sales & Marketing Management* for two different levels of sales personnel, middle-level and top-level salespeople. Compensation data for the levels of sales trainee and sales supervisor were excluded from these calculations since they do not technically involve "field" salespeople. **Compensation** includes base salary, commission, and bonus. **Field Expenses** include travel, entertainment, food, and lodging expenses.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

TABLE I-9

Cost Per Call by Industry

TYPE OF SALES-PERSON	1986 TOTAL DIRECT SALES COSTS	MEDIAN CALLS PER YEAR TERRI-TORY A	TERRI-TORY B	COST PER CALL TERRITORY A	TERRITORY B
CONSUMER					
Range	$25,000-$105,000	561-1,122	374-748	$22.28-$187.16	$33.42-$280.74
Median	$65,000	841.5	561	$104.72	$157.08
INDUSTRIAL					
Range	$20,000-$147,000	561-935	374-748	$21.39-$262.03	$26.73-$393.04
Median	$83,500	748	561	$141.71	$209.88
SERVICE					
Range	$18,000-$140,000	748-1,496	374-935	$12.03-$187.16	$19.25-$374.33
Median	$79,000	1,122	654.5	$99.59	$196.79

NOTES: The **Cost Per Call** range for each territory and type of salesperson is calculated by dividing the *lowest* figure in the range of **Total Direct Sales Costs** by the *highest* figure in the range of **Median Calls Per Year**, which equals the low end of the cost-per-call range. The *highest* figure in the range of **Total Direct Sales Costs** is then divided by the *lowest* figure in the range of **Median Calls Per Year**, resulting in the high-end figure for the range of **Cost Per Call**. The **Median** is the midpoint in each set of ranges.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

PREPARING A SALES COSTS BUDGET

How much are your salespeople spending each year? By using the accompanying worksheet to chart field sales expenditures, you may be able to trim some of the fat from your budget.

By following this simple procedure (and using the worksheet on the back of this page), you can construct a territorial sales budget that breaks out the various components of selling, allowing for an easy analysis of individual cost factors. The bold-faced numbers below correspond to the columns and lines on the worksheet.

COLUMNS:

1. List the **Major Metro Areas** that comprise your territory, using the listings from Table I-10, *Selling Costs in 86 Major U.S. Markets*.

2. Enter the **Projected Sales** for each individual metro.

3. For **Lodging**, estimate the number of nights to be spent in each metro and multiply by the Average Daily Lodging cost shown in Table I-10.

4. For **Food and Drink** costs, estimate the number of meals and drinks per day in each metro and multiply by the appropriate Meals and Cost of Two Drinks figures from Table I-10.

5. Auto Rental: If an auto is to be rented, multiply the number of days by the Per Diem Auto Rental rate (also listed in Table I-10), adding an average daily insurance rate of $8 and subtracting your company's discount (if any).

6. Estimate any additional **Miscellaneous Expenses** and enter them in this column.

7. Calculate **Entertainment** costs by multiplying the appropriate Meals and Cost of Two Drinks rates for each metro by the total number of customers or clients entertained.

8. Estimate any **Other Expenses**—air, train, or bus fares—that may be incurred in trips to the home office or to sales meetings or seminars.

9. Estimate **Promotional Expenses** by including totals for advertising, sales promotion, trade shows, meetings, etc., that will be charged to the territory.

10. Total the expenses for each metro across (columns 3 through 9) to arrive at **Total Metro Expenses** and enter in column 10.

LINES:

11. Total the individual expenses for each vertical column (2 through 10) and enter here under **All-Metro Totals**.

12. Enter your **Projected Total Territory** *sales* on line 12, column 2 and the **Projected Total Territory** *expenses* for each of the seven estimated field sales expenses (columns 3 through 9).

13. Calculate the **Percent of Total** projected sales accounted for by the metros listed by dividing the All-Metro Total figure on line 11, column 2, by the Projected Total Territory sales figure on line 12, column 2. Then do the same for total individual expenses (line 11, columns 3 through 10) and enter on line 13.

14. Calculate the **Budgeted Salaries** of the territory's sales manager and staff salespeople and enter the total on line 14.

15. Enter the **All-Metro Total** for Total Metro Expenses (line 11, column 10). Note: Budgeted Salaries (line 14, column 2) and the All-Metro Total for Total Metro Expenses should be adjusted for any overhead—rent, utilities, or other staff expenses—charged to the sales division.

16. Add the Budgeted Salaries (line 14) and the All-Metro Total for Total Metro Expenses (line 15), which will give you a figure that comprises a majority of your **Actual Expenses**. Then subtract this figure from Projected Total Territory sales (line 12, column 2), which gives you the gross dollar return on sales in the territory's metros (Sales - expenses = return on sales). This gross dollar figure can then be converted to a percentage and compared to your company's targeted profit ratio, which tells you if your costs budget is on target. If it is not, analysis of the individual components may suggest areas for improvement. Note: If a territory is made up of largely nonmetro areas, this will be reflected in the Percent of Total figure on line 13, and adjustments can be made accordingly.

A 16-STEP SEQUENCE FOR PREPARING A SALES COSTS BUDGET

Estimated Field Sales Expenses

1. MAJOR METRO AREAS	2. PROJECTED SALES	3. LODGING	4. FOOD AND DRINK	5. AUTO RENTAL	6. MISC. EXPENSES	7. ENTERTAIN-MENT	8. OTHER EXPENSES	9. PROMOTION EXPENSES	10. TOTAL METRO EXPENSES
11. ALL-METRO TOTALS									
12. PROJECTED TOTAL TERRITORY									
13. PERCENT OF TOTAL	%	%	%	%	%	%	%	%	%
14. BUDGETED SALARIES									
15. ALL-METRO TOTAL									
16. ACTUAL EXPENSES									

TABLE I-10

Selling Costs in 86 Major U.S. Markets

METRO AREA	LODGING (DAILY)	MEALS (MEDIAN)	PER DIEM TOTAL	PER DIEM INCREASE 1986-1987	PER DIEM INDEX	COST OF TWO DRINKS	AIRPORT TO DOWNTOWN	PER DIEM AUTO RENTAL	LODGING TAX	MEAL TAX
ALABAMA										
Birmingham	Average $69.15	B-$5.50 L-$6.95 D-$16.35	$97.95	11.6%	94	$5.70	Limo: N.A. Taxi: $8.50 Dist.: 5 mi. NE Time: 15-20 min.	$37.30	7.0%	7.0%
ARIZONA										
Phoenix-Scottsdale	Average $67.90	B-$5.75 L-$7.30 D-$14.65	95.60	7.8	93	5.00	Limo: $4.00 Taxi: $900 Dist.: 4 mi. SE Time: 10-15 min.	40.85	7.6	7.5
Tucson	Average $71.20	B-$6.40 L-$8.20 D-$15.85	101.65	11.4	99	5.25	Limo: $8.00 Taxi: $13.50 Dist.: 10 mi. S Time: 20 min.	39.85	8.0	7.0
ARKANSAS										
Little Rock-North Little Rock	Average $54.20	B-$4.50 L-$6.10 D-$14.35	79.15	13.5	77	5.00	Limo: N.A. Taxi: $4.50 Dist.: 3.5 mi. SE Time: 10-15 min.	47.30	7.0	7.0
CALIFORNIA										
Anaheim-Santa Ana	Average $74.60	B-$5.25 L-$9.75 D-$16.00	105.60	11.5	102	5.00	Limo: N.A. Taxi: $22.00 Dist.: 10 mi. S Time: 20-30 min.	N.A.	8.0	6.0
Fresno	Average $51.55	B-$6.75 L-$9.35 D-$16.95	84.60	6.6	82	4.70	Limo: None Taxi: $12.00 Dist.: 7 mi. NE Time: 15 min.	46.50	9.0	6.5
Los Angeles-Long Beach	Average $95.00	B-$7.55 L-$11.60 D-$24.75	138.90	12.8	135	6.00	Limo: $10.00 Taxi: $27.50 Dist.: 15 mi. SW Time: 35-45 min.	52.80	11.0	6.5
Oakland	Average $76.30	B-$6.70 L-$11.30 D-$18.10	112.40	8.1	109	4.70	Limo: None Taxi: $16.50 Dist.: 11 mi. SE Time: 10-15 min.	N.A.	10.0	7.0
Oxnard-Ventura	Average $60.50	B-$6.25 L-$8.50 D-$15.50	90.75	5.9	88	5.00	Limo: N.A. Taxi: $5.50 Dist.: 1 mi. S Time: 5 min.	N.A.	9.0	6.0
Riverside-San Bernardino	Average $59.10	B-$5.25 L-$6.40 D-$10.70	81.45	3.8	79	5.00	Limo: N.A. Taxi: $30.00 Dist.: 15 mi. NW Time: 20 min.	N.A.	8.0	6.0
Sacramento	Average $61.80	B-$5.35 L-$8.10 D-$14.70	89.75	13.7	87	4.00	Limo: $5.50 Taxi: $18.50 Dist.: 11 mi. NW Time: 15-25 min.	47.15	10.0	6.0
San Diego	Average $81.95	B-$5.90 L-$10.55 D-$16.00	114.40	16.4	111	5.00	Limo: None Taxi: $5.50 Dist.: 2 mi. NW Time: 5-10 min.	48.15	7.0	6.0
San Francisco	Average $101.40	B-$11.25 L-$15.80 D-$38.60	167.05	12.1	162	9.00	Limo: $6.00 Taxi: $24.00 Dist.: 14 mi. S Time: 20-35 min.	51.50	11.0	6.5
San Jose	Average $87.20	B-$6.45 L-$10.10 D-$16.70	120.45	6.5	117	5.50	Limo: None Taxi: $7.50 Dist.: 3 mi. NW Time: 10 min.	50.80	8.0	7.0

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Selling Costs in 86 Major U.S. Markets

METRO AREA	LODGING (DAILY)	MEALS (MEDIAN)	PER DIEM TOTAL	PER DIEM INCREASE 1986-1987	PER DIEM INDEX	COST OF TWO DRINKS	AIRPORT TO DOWNTOWN	PER DIEM AUTO RENTAL	LODGING TAX	MEAL TAX
COLORADO										
Boulder	Average $61.80	B-$6.50 L-$7.00 D-$13.55	$88.85	3.4%	86	$5.50	Limo: N.A. Taxi: $38.00 Dist.: 30 mi. NW Time: 45 min.	N.A.	9.2%	6.0%
Denver	Average $88.25	B-$6.15 L-$8.75 D-$18.30	121.45	13.2	118	6.00	Limo: $6.00 Taxi: $900 Dist.: 7 mi. NE Time: 20-30 min.	$45.45	11.7	7.0
CONNECTICUT										
Bridgeport-Stamford-Norwalk-Danbury	Average $75.10	B-$4.85 L-$9.75 D-$16.80	106.50	5.4	103	5.90	Limo: $10.00 Taxi: $10.00 Dist.: 9 mi. S Time: 10 min.	49.40	7.5	7.5
Hartford-New Britain-Middletown-Bristol	Average $74.00	B-$5.55 L-$8.15 D-$21.75	109.45	5.3	106	6.70	Limo: $5.00 Taxi: $18.00 Dist.: 14 mi. N Time: 15-25 min.	55.40	7.5	7.5
New Haven-Waterbury-Meriden	Average $67.90	B-$5.50 L-$8.20 D-$17.15	98.75	13.5	96	5.50	Limo: N.A. Taxi: $5.40 Dist.: 3.5 mi. SE Time: 15 min.	54.40	7.5	7.5
DELAWARE										
Wilmington	Average $85.15	B-$6.05 L-$10.10 D-$18.20	119.50	18.0	116	4.75	Limo: None Taxi: $15.00 Dist.: 5 mi. SW Time: 20 min.	50.85	6.0	—
DISTRICT OF COLUMBIA										
Washington	Average $111.20	B-$7.50 L-$13.35 D-$21.15	153.20	17.5	148	6.00	**National** Limo: $5.00 Taxi: $6.00 Dist.: 4 mi. S Time: 20 min. **Dulles** Limo: $11.00 Taxi: $32.00 Dist.: 26 mi. W Time: 45-60 min.	60.25	10.0	8.0
FLORIDA										
Fort Lauderdale	Average $81.30	B-$4.20 L-$8.05 D-$17.10	110.65	14.3	107	5.50	Limo: $6.00[1] Taxi: $8.00 Dist.: 4 mi. S Time: 10 min.	N.A.	7.0	5.0
Jacksonville	Average $59.85	B-$4.60 L-$8.05 D-$16.15	88.65	11.5	86	5.50	Limo: $8.00 Taxi: $1900 Dist.: 17 mi. N Time: 30-40 min.	40.50	9.0	5.0
Miami-Hialeah	Average $90.40	B-$6.05 L-$9.30 D-$19.20	124.95	12.4	121	6.00	Limo: $6.75 Taxi: $11.00 Dist.: 7 mi. NW Time: 20-30 min.	37.85	10.0	5.0
Orlando	Average $72.00	B-$6.50 L-$10.35 D-$19.00	107.85	14.6	105	6.40	Limo: $900 Taxi: $15.50 Dist.: 10 mi. S Time: 15-20 min.	38.15	8.0	5.0
Tampa-St. Petersburg-Clearwater	Average $78.45	B-$6.55 L-$6.90 D-$17.30	109.20	17.9	106	5.50	Limo: $900 Taxi: $12.00 Dist.: 5 mi. NW Time: 10-15 min.	37.15	8.25	5.0

[1] Minimum 3 Passengers

Selling Costs in 86 Major U.S. Markets

METRO AREA	LODGING (DAILY)	MEALS (MEDIAN)	PER DIEM TOTAL	PER DIEM INCREASE 1986-1987	PER DIEM INDEX	COST OF TWO DRINKS	AIRPORT TO DOWNTOWN	PER DIEM AUTO RENTAL	LODGING TAX	MEAL TAX
West Palm Beach-Boca Raton-Delray Beach	Average $73.15	B-$4.75 L-$7.70 D-$17.90	$103.45	13.2%	100	$6.00	Limo: $6.00 Taxi: $10.00 Dist.: 5 mi. W Time: 15 min.	N.A.	7.0%	5.0%
GEORGIA										
Atlanta	Average $104.20	B-$6.55 L-$9.40 D-$29.75	148.90	9.0	144	6.00	Limo: $7.00 Taxi: $13.50 Dist.: 8 mi. SW Time: 20-30 min.	$50.65	9.0	5.0
HAWAII										
Honolulu	Average $83.25	B-$8.50 L-$10.00 D-$23.20	124.95	2.5	121	6.50	Limo: $5.00 Taxi: $8.50 Dist.: 4.5 mi. NW Time: 10-15 min.	41.75	9.4	4.16
ILLINOIS										
Chicago	Average $119.55	B-$6.45 L-$8.35 D-$22.75	157.10	13.9	152	5.00	**O'Hare** Limo: $9.00 Taxi: $19.50 Dist.: 18 mi. NW Time: 45-65 min. **Midway** Limo: N.A. Taxi: $10.90 Dist.: 10 mi. SW Time: 25-40 min.	57.05	10.25	8.0
Springfield	Average $53.00	B-$4.75 L-$7.45 D-$16.55	78.90	5.4	79	4.25	Limo: None Taxi: $5.00 Dist.: 3 mi. N Time: 15 min.	40.75	10.0	7.0
INDIANA										
Indianapolis	Average $68.85	B-$5.45 L-$6.50 D-$11.60	92.40	17.0	90	4.50	Limo: $7.25 Taxi: $11.00 Dist.: 7 mi. SW Time: 15 min.	48.70	10.0	6.0
IOWA										
Des Moines	Average $58.95	B-$4.95 L-$6.15 D-$14.15	84.20	14.8	82	5.50	Limo: None Taxi: $6.50 Dist.: 5.5 mi. SW Time: 10-15 min.	41.90	11.0	4.0
KANSAS										
Wichita	Average $63.85	B-$5.40 L-$5.70 D-$9.90	84.85	12.9	82	6.25	Limo: None Taxi: $7.10 Dist.: 6 mi. SW Time: 25-30 min.	51.20	10.0	5.0
KENTUCKY										
Louisville	Average $55.65	B-$4.40 L-$8.00 D-$13.55	81.60	12.5	79	4.50	Limo: $4.50 Taxi: $10.50 Dist.: 5 mi. S Time: 15-20 min.	50.30	9.2	5.0
LOUISIANA										
New Orleans	Average $96.30	B-$6.45 L-$10.15 D-$21.10	134.00	22.5	130	5.60	Limo: $7.00 Taxi: $18.00 Dist.: 14 mi. W Time: 30-40 min.	46.05	11.0	9.0
MARYLAND										
Baltimore	Average $68.10	B-$6.65 L-$9.05 D-$20.20	104.00	9.5	101	5.15	Limo: $5.00 Taxi: $13.00 Dist.: 10 mi. SW Time: 30-40 min.	52.35	12.0	5.0

Selling Costs in 86 Major U.S. Markets

METRO AREA	LODGING (DAILY)	MEALS (MEDIAN)	PER DIEM TOTAL	PER DIEM INCREASE 1986-1987	PER DIEM INDEX	COST OF TWO DRINKS	AIRPORT TO DOWNTOWN	PER DIEM AUTO RENTAL	LODGING TAX	MEAL TAX
MASSACHUSETTS										
Boston	Average $103.05	B-$5.50 L-$9.70 D-$22.90	$141.15	13.2%	137	$6.00	Limo: $5.00 Taxi: $10.00 Dist.: 3 mi. NE Time: 30-40 min.	$65.40	9.7%	5.0%
New Bedford-Fall River-Attleboro	Average $59.70	B-$5.10 L-$9.90 D-$16.45	91.15	17.8	88	5.00	Limo: N.A. Taxi: $7.00 Dist.: 2.5 mi. N Time: 15 min.	N.A.	5.7	5.0
Springfield	Average $59.80	B-$6.55 L-$7.30 D-$15.50	89.15	12.9	86	5.50	Limo: $6.00 Taxi: $22.00 Dist.: 18 mi. S Time: 30 min.	55.10	5.7	5.0
Worcester-Fitchburg-Leominster	Average $69.25	B-$5.80 L-$8.30 D-$19.45	102.80	6.7	100	5.60	Limo: N.A. Taxi: $7.00 Dist.: 5 mi. W Time: 20 min.	58.10	9.7	5.0
MICHIGAN										
Detroit	Average $71.30	B-$6.00 L-$9.35 D-$20.55	107.20	1.8	104	6.00	Limo: $9.00 Taxi: $28.00 Dist.: 19 mi. SW Time: 30-45 min.	60.60	10.0	4.0
Grand Rapids	Average $56.60	B-$6.75 L-$10.10 D-$16.85	90.30	15.9	88	5.35	Limo: None Taxi: $10.00 Dist.: 10 mi. SE Time: 20-25 min.	N.A.	7.0	4.0
MINNESOTA										
Minneapolis-St. Paul	Average $74.80	B-$7.25 L-$8.55 D-$18.30	108.90	2.9	106	5.50	Limo: $6.50 Taxi: $16.50 Dist.: 13 mi. SE Time: 20-30 min.	48.65	9.0	7.0
MISSOURI										
Kansas City	Average $75.25	B-$4.60 L-$8.55 D-$16.70	105.10	19.0	102	5.00	Limo: $9.00 Taxi: $21.50 Dist.: 18 mi. NW Time: 35-50 min.	47.90	9.725	7.0
St. Louis	Average $67.90	B-$5.85 L-$9.65 D-$17.70	101.10	8.9	98	5.50	Limo: $6.00 Taxi: $16.50 Dist.: 13 mi. NW Time: 20-30 min.	47.20	9.85	6.0
NEBRASKA										
Omaha	Average $50.80	B-$4.45 L-$8.00 D-$12.20	76.45	12.4	74	4.25	Limo: None Taxi: $5.50 Dist.: 5 mi. NE Time: 5-10 min.	49.35	8.0	5.5
NEVADA										
Las Vegas	Average $63.75	B-$4.35 L-$8.85 D-$15.70	92.65	8.0	90	5.00	Limo: $4.00 Taxi: $4.50 Dist.: 7 mi. S Time: 35-45 min.	42.00	7.0	6.0
NEW JERSEY										
Jersey City-Bergen-Passaic	Average $63.30	B-$5.25 L-$9.10 D-$16.90	94.55	3.0	92	5.50	Limo: N.A. Taxi: $20.00 Dist.: 9 mi. W Time: 40 min.	N.A.	6.0	6.0
Long Branch-Asbury Park	Average $60.75	B-$7.20 L-$10.30 D-$19.15	97.40	9.5	94	5.00	Limo: N.A. Taxi: $39.00 Dist.: 45 mi. NW Time: 60 min.	N.A.	6.0	6.0

Selling Costs in 86 Major U.S. Markets

METRO AREA	LODGING (DAILY)	MEALS (MEDIAN)	PER DIEM TOTAL	PER DIEM INCREASE 1986-1987	PER DIEM INDEX	COST OF TWO DRINKS	AIRPORT TO DOWNTOWN	PER DIEM AUTO RENTAL	LODGING TAX	MEAL TAX
New Brunswick-Perth Amboy-Sayreville	Average $74.25	B-$4.70 L-$9.30 D-$17.05	$105.30	0.8%	102	$5.50	Limo: N.A. Taxi: $36.00 Dist.: 23 mi. NW Time: 40 min.	N.A.	6.0%	6.0%
Newark	Average $92.90	B-$6.05 L-$8.40 D-$22.40	129.75	10.6	126	6.50	Limo: $5.00 Taxi: $11.00 Dist.: 3 mi. S Time: 20 min.	$59.30	7.0	6.0
NEW MEXICO										
Albuquerque	Average $65.75	B-$5.80 L-$9.55 D-$15.20	91.75	14.0	89	6.85	Limo: $4.50 Taxi: $11.00 Dist.: 4.3 mi. SE Time: 15-20 min.	47.45	9.756	5.0
NEW YORK										
Albany-Schenectady-Troy	Average $70.90	B-$4.05 L-$5.70 D-$15.45	96.10	10.9	93	5.70	Limo: $5.40 Taxi: $9.90 Dist.: 10 mi. NW Time: 20 min.	49.10	10.0	7.0
Buffalo	Average $59.80	B-$8.00 L-$11.00 D-$19.45	98.25	13.7	95	5.50	Limo: $5.00 Taxi: $13.00 Dist.: 8 mi. NE Time: 20-30 min.	48.80	11.0	8.0
Nassau-Suffolk (Long Island)	Average $63.50	B-$7.30 L-$11.40 D-$22.15	104.35	1.8	101	6.50	Limo: (Varies Taxi: between Dist.: Airport and Time: Destination)	N.A.	8.0	8.25[1]
New York	Average $117.65	B-$10.25 L-$16.40 D-$31.50	175.80	8.2	170	9.00	**La Guardia** Limo: $6.00 Taxi: $16.00 Dist.: 8 mi. NE Time: 20-40 min. **Kennedy** Limo: $8.00 Taxi: $27.00 Dist: 15 mi. SE Time: 35-60 min. **Newark** Limo: $5.00 Taxi: $30.00 Dist: 16 mi. SW Time: 30-45 min.	62.45	13.25	8.25
Rochester	Average $59.80	B-$5.60 L-$8.30 D-$17.95	91.65	2.3	89	5.75	Limo: None Taxi: $9.50 Dist.: 5 mi. SW Time: 10-20 min.	45.80	10.0	7.0
Syracuse	Average $63.80	B-$5.50 L-$8.55 D-$16.55	94.40	8.6	91	5.30	Limo: None Taxi: $10.50 Dist.: 9 mi. NE Time: 15-20 min.	47.80	10.0	7.0
NORTH CAROLINA										
Charlotte-Gastonia-Rocky Hill	Average $58.90	B-$7.10 L-$9.85 D-$19.95	95.80	15.5	93	6.50	Limo: $4.20 Taxi: $11.00 Dist.: 8 mi. W Time: 20-25 min.	49.00	7.5	5.0
Greensboro-Winston-Salem-High Point	Average $63.05	B-$5.15 L-$7.30 D-$15.20	90.70	7.8	88	5.40	Limo: $6.75 Taxi: $11.00 Dist.: 9 mi. W Time: 10-20 min.	N.A.	8.0	5.0

[1]Average for establishments polled by S&MM. Rates may vary slightly among the townships in the two counties.

Selling Costs in 86 Major U.S. Markets

METRO AREA	LODGING (DAILY)	MEALS (MEDIAN)	PER DIEM TOTAL	PER DIEM INCREASE 1986-1987	PER DIEM INDEX	COST OF TWO DRINKS	AIRPORT TO DOWNTOWN	PER DIEM AUTO RENTAL	LODGING TAX	MEAL TAX
OHIO										
Akron	Average $59.15	B-$4.45 L-$6.50 D-$15.45	$85.55	7.6%	83	$4.75	Limo: $10.25 Taxi: $27.00 Dist.: 15 mi. SE Time: 20-30 min.	$56.00	11.5%	5.5%
Canton	Average $52.25	B-$4.75 L-$6.05 D-$13.15	76.20	13.0	74	4.00	Limo: None Taxi: $12.00 Dist.: 10 mi. NW Time: 15-20 min.	N.A.	11.0	6.0
Cincinnati	Average $58.60	B-$5.95 L-$10.45 D-$18.70	90.10	7.4	87	5.50	Limo: $7.00 Taxi: $16.00 Dist.: 13 mi. SW Time: 20-30 min.	49.35	10.0	5.5
Cleveland	Average $64.25	B-$4.50 L-$8.60 D-$21.65	99.0	14.0	96	6.50	Limo: None Taxi: $16.00 Dist.: 10 mi. SW Time: 20-40 min.	53.35	13.0	7.0
Columbus	Average $60.65	B-$5.85 L-$6.75 D-$18.90	92.15	10.8	89	5.00	Limo: $5.25 Taxi: $11.50 Dist.: 7 mi. E Time: 25 min.	50.00	11.5	5.5
Dayton-Springfield	Average $49.15	B-$4.90 L-$5.45 D-$13.65	73.15	5.1	71	4.00	Limo: $7.00 Taxi: $12.50 Dist.: 12.5 mi. N Time: 20-25 min.	45.70	12.0	6.0
Toledo	Average $61.75	B-$4.85 L-$6.05 D-$15.85	88.50	6.1	86	5.00	Limo: $13.00 Taxi: $24.00 Dist.: 17 mi. SW Time: 20-30 min.	47.00	12.0	6.0
OKLAHOMA										
Oklahoma City	Average $58.30	B-$4.90 L-$8.35 D-$17.55	89.10	15.6	86	5.70	Limo: $6.00 Taxi: $12.00 Dist.: 11 mi. SW Time: 15-25 min.	48.30	7.25	7.0
Tulsa	Average $60.45	B-$4.90 L-$7.25 D-$15.60	88.20	18.0	85	5.50	Limo: N.A. Taxi: $10.00 Dist.: 9 mi. NE Time: 20-30 min.	N.A.	11.25	7.0
OREGON										
Portland	Average $75.70	B-$4.10 L-$6.40 D-$14.65	100.85	13.4	98	4.00	Limo: $5.00 Taxi: $21.50 Dist.: 9 mi. NE Time: 25-30 min.	N.A.	7.0	—
PENNSYLVANIA										
Harrisburg-Lebanon-Carlisle	Average $71.60	B-$5.70 L-$7.95 D-$15.35	100.60	15.3	97	5.00	Limo: $12.00 Taxi: $14.50 Dist.: 9 mi. S Time: 45 min.	56.45	6.0	6.0
Philadelphia	Average $91.00	B-$7.35 L-$10.05 D-$22.05	130.45	18.2	126	5.75	Limo: $6.00 Taxi: $14.00 Dist.: 8 mi. SW Time: 30-40 min.	52.80	11.0	6.0
Pittsburgh	Average $82.05	B-$6.10 L-$7.40 D-$19.00	114.55	8.3	111	5.75	Limo: $8.00 Taxi: $25.00 Dist.: 14 mi. W Time: 35-40 min.	58.45	9.0	6.0

Selling Costs in 86 Major U.S. Markets

METRO AREA	LODGING (DAILY)	MEALS (MEDIAN)	PER DIEM TOTAL	PER DIEM INCREASE 1986-1987	PER DIEM INDEX	COST OF TWO DRINKS	AIRPORT TO DOWNTOWN	PER DIEM AUTO RENTAL	LODGING TAX	MEAL TAX
RHODE ISLAND										
Providence-Pawtucket-Woonsocket	Average $74.25	B-$5.10 L-$7.85 D-$13.35	$100.55	7.7%	97	$5.80	Limo: $5.75 Taxi: $15.00 Dist.: 7 mi. S Time: 15-20 min.	$49.20	10.0%	6.0%
TENNESSEE										
Memphis	Average $48.80	B-$5.20 L-$6.60 D-$16.50	77.10	7.3	75	5.50	Limo: $5.00 Taxi: $13.00 Dist.: 9 mi. SE Time: 15-20 min.	50.05	12.75	7.0
Nashville-Davidson	Average $55.25	B-$5.80 L-$11.10 D-$18.60	90.75	4.4	89	5.50	Limo: None Taxi: $10.00 Dist.: 6 mi. SE Time: 20-25 min.	48.70	11.75	7.0
TEXAS										
Austin	Average $73.30	B-$7.00 L-$8.35 D-$15.20	103.85	4.7	101	5.65	Limo: None Taxi $5.50 Dist.: 4 mi. NE Time: 10-20 min.	48.70	11.0	8.0
Dallas	Average $66.80	B-$5.70 L-$9.80 D-$22.70	105.00	3.8	102	7.00	Limo: $8.00 Taxi: $21.50 Dist.: 21 mi. NW Time: 25-40 min.	46.35	13.0	8.0
Fort Worth-Arlington	Average $59.25	B-$5.25 L-$8.25 D-$17.25	90.00	10.4	87	5.00	Limo: $6.00 Taxi: $22.00 Dist.: 24 mi. NE Time: 30-40 min.	46.35	11.0	7.0
Houston	Average $70.60	B-$7.30 L-$10.15 D-$17.15	105.18	10.4	102	6.00	Limo: $7.50 Taxi: $24.00 Dist.: 22 mi. N Time: 30-50 min.	45.05	14.0	8.0
San Antonio	Average $61.30	B-$4.90 L-$8.00 D-$21.85	96.15	7.1	93	7.00	Limo: $5.00 Taxi: $10.75 Dist.: 8 mi. N Time: 15-20 min.	45.35	13.0	7.5
UTAH										
Salt Lake City-Ogden	Average $62.65	B-$6.20 L-$8.10 D-$14.50	91.45	17.4	89	5.25*	Limo: $10.00 Taxi: $9.75 Dist.: 6 mi. NW Time: 15-20 min.	47.40	9.85	6.25
VIRGINIA										
Norfolk-Virginia Beach-Newport News	Average $64.50	B-$4.75 L-$6.60 D-$17.55	91.85	7.1	89	6.50	Limo: $5.25 Taxi: $11.50 Dist.: 6 mi. NE Time: 15-25 min.	49.90	7.0	8.5
WASHINGTON										
Seattle	Average $77.75	B-$7.50 L-$8.55 D-$17.30	111.10	9.2	108	5.75	Limo: $5.00 Taxi: $27.75 Dist.: 13 mi. S Time: 20-30 min.	51.10	12.9	8.0
WISCONSIN										
Milwaukee	Average $59.05	B-$5.20 L-$8.50 D-$17.40	90.15	11.3	87	5.25	Limo: $6.50 Taxi: $16.00 Dist.: 7 mi. S Time: 15-25 min.	49.35	11.0	5.0

*In Salt Lake City, only private clubs may serve mixed drinks. In public restaurants, drinks may be purchased via a pour-your-own minibottle plus a setup fee.

Selling Costs in 86 Major U.S. Markets

DEFINITIONS:

LODGING: Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater.

MEAL COSTS: A 15% tip is included in each meal cost shown. B—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). L—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entrée, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). D—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal).

PER DIEM TOTAL: Total one-day cost of lodging and meals.

PER DIEM INCREASE: Percent change from 1986 to 1987 in total one-day cost of lodging and three meals.

PER DIEM INDEX: A city's per diem total expressed as a ratio of the U.S. average (an index of 110, for example, means that the area's total cost is 10% above the national average).

COST OF TWO DRINKS: Price for two martinis made from the bar's house liquor.

AIRPORT TO DOWNTOWN: Fare information is for first city in metro area title. Driving times are approximate.

AUTO RENTAL: Costs are based upon the published nondiscountable daily rates of major companies. Applicable local gas charges for 50 miles have been added.

NOTES: AVERAGE is the sum of the dollar amounts divided by the number of responses.

MEDIAN is the dollar amount that has an equal number of responses above and below it.

SOURCES: Sales & Marketing Management; *How To Get from the Airport to the City All Around the World*, © 1987 Norman Crampton, published by M. Evans and Company; *Hotel & Motel Red Book*, published by Official Airline Guides for the American Hotel and Motel Association; Runzheimer International, *Runzheimer Meal-Lodging Cost Index*.

TABLE I-11

Selling Costs in Major Canadian Markets*

METRO AREA	LODGING (DAILY)	MEALS (MEDIAN)	PER DIEM TOTAL	PER DIEM INCREASE 1986-1987	PER DIEM INDEX	COST OF TWO DRINKS	AIRPORT TO DOWNTOWN	PER DIEM AUTO RENTAL	LODGING TAX	MEAL TAX
Calgary, Alberta	Average $69.20	B-$6.90 L-$7.75 D-$16.05	$99.90	−2.0%	83	$6.25	Limo: $5.00 Taxi: $15.00 Dist.: 5 mi. NE Time: 30 min.	N.A.	—	—
Montreal, Quebec	Average $91.15	B-$7.80 L-$14.40 D-$18.45	131.80	4.0	110	9.80	Limo: $6.00 Taxi: $1900 Dist.: 14 mi. W Time: 20-30 min.	N.A.	—	10.0%
Ottawa, Ontario	Average $78.75	B-$8.50 L-$10.15 D-$13.95	111.35	2.0	93	8.20	Limo: $4.50 Taxi: $14.50 Dist.: 5 mi. S Time: 20-30 min.	N.A.	5.0%	7.0
Toronto, Ontario	Average $95.65	B-$7.00 L-$12.95 D-$18.60	134.20	5.0	112	7.70	Limo: $7.00 Taxi: $20.00[1] Dist.: 18 mi. NW Time: 30-45 min.	N.A.	5.0	7.0
Vancouver, British Columbia	Average $96.90	B-$8.65 L-$10.95 D-$18.10	134.60	3.0	113	9.00	Limo: $5.75 Taxi: $15.00 Dist.: 11 mi. SW Time: 30-40 min.	N.A.	7.0	—
Winnipeg, Manitoba	Average $69.15	B-$7.00 L-$10.90 D-$17.15	104.20	14.0	87	9.00	Limo: $7.00 Taxi: $7.00 Dist.: 4 mi. W Time: 15 min.	N.A.	6.0	7.0

DEFINITIONS:

LODGING: Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater.

MEAL COSTS: A 15% tip is included in each meal cost shown. B—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). L—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entrée, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). D—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal).

PER DIEM TOTAL: Total one-day cost of lodging and meals.

PER DIEM INCREASE: Percent change from 1986 to 1987 in total one-day cost of lodging and three meals.

PER DIEM INDEX: A city's per diem total expressed as a ratio of all-Canadian average (an index of 102, for example, means that the area's total cost is 2% above the national average).

COST OF TWO DRINKS: Price for two martinis made from the bar's house liquor.

AIRPORT TO DOWNTOWN: Driving times are approximate.

NOTES: AVERAGE is the sum of the dollar amounts divided by the number of responses.

MEDIAN is the dollar amount that has an equal number of responses above and below it. All costs are in Canadian dollars.

* In Canadian dollars

N.A.—Not available

[1] Represents fare for four riders.

SOURCES: Sales & Marketing Management; *How To Get from the Airport to the City All Around the World*, © 1987 Norman Crampton, published by M. Evans and Company; *Hotel & Motel Red Book* published by Official Airline Guides for the American Hotel and Motel Association.

SECTION II

COMPENSATION

HOW MUCH DO YOU REALLY SPEND ON SALES?

A look at how your salespeople spend their time can help you manage costs more effectively, while providing better service to your customers.

BY MARK BLESSINGTON
SIBSON & CO., INC.

How much do we actually spend on selling? It's a question that's frequently ignored when managers review last year's expenditures and prepare next year's budget. The following case histories are presented in order to illustrate two of the many ways this question can be answered. In the first example, "The Case of Shifting Account Maintenance Responsibilities," a large printing company is gearing up to increase its penetration of existing accounts, in addition to selling a number of larger new accounts.

The challenge, then, is twofold: First, to attain account penetration through the use of salespeople currently assigned to large accounts (or assign additional salespeople to large accounts); and second, to assign top salespeople to these larger prospects. In order to meet these challenges, the company needs to assess exactly how much money it is spending on selling large accounts, and in particular, the time being spent on actively selling new printing jobs to these accounts.

Since salespeople have a number of different responsibilities related to the ongoing service of their accounts, a considerable amount of non-selling activity is to be expected. A survey of the sales force indicated that less than 20% of salespeoples' time is spent selling new jobs. Naturally, this number was far below management's expectations. Based on this, salespeople were then asked how they would ideally re-allocate their own time. A total of 37 days were targeted for more selling time by reducing the time spent in four other areas (see Exhibit 1). Overall, large producers were found to be more consumed with service and support activities than junior salespeople, and many of these heavy hitters were responsible for accounts with limited penetration opportunities. Consequently, several key steps were taken toward improving productivity:

- Activities tangential to the sales staff were moved to sales support.
- The responsibility and accountability of customer service in meeting customer needs was increased.
- Low penetration opportunity accounts were transferred from heavy hitters to junior salespeople, with the heavy hitters then assigned the larger, new prospects.
- Heavy hitters and junior salespeople on some large, high-penetration accounts were teamed, with junior salespeople managing current business and heavy hitters working on selling new business within the same account.

By re-allocating the money spent on the sales force and increasing the role played by support functions, the company was then positioned to improve sales productivity and aggressively increase its market share with large accounts. Basically, the solution to such problems involves an effort to find out what your "real" selling time is, and then making the necessary adjustments.

Perhaps the best way to determine how selling time is spent is to survey your sales force directly. With around 30 simple questions, you can find out how much time is being spent on a variety of sales-related tasks. A sample set of functions is provided in Exhibit 2. A second technique for finding your real selling time is to ask your salespeople to divide 100% of their time among a specific group of activities (see Exhibit 3).

MANAGING SERVICE

The next example, "The Case of Too Much Service," concerns a major player in the automotive aftermarket industry that is experiencing a slow decline in unit volume. The company suspected their compensation plan was the problem, but they also surveyed their

Making Changes in How Time Is Spent

DECREASES:	NO. OF DAYS
1. Coordinating the production of ongoing jobs	−22
2. Calculating price quotes	−7
3. Finding ways for the plant to meet customer requirements for new jobs	−4
4. Completing new job paperwork	−4
	TOTAL −37

INCREASES:	NO. OF DAYS
1. Sales meetings with prospects	+15
2. Sales meetings with customers	+12
3. Telephone calls to prospects	+10
	TOTAL +37

Tasks Performed by Salespeople

SALES AND SERVICE:
Sales meetings
Sales blitzes
Telephone calls
Joint sales calls
Travel
Customer forms
Service meetings
Customer training
Inventory checks
Resolving complaints
Trade shows

ADMINISTRATION:
Expense and activity reports
Time planning
Miscellaneous management reports
District, regional & national meetings
Miscellaneous meetings
Administrative travel

MANAGEMENT:
Forecasting, planning & budgeting
Planning programs
Conducting research
Training
Motivation and guidance
Vacation stand-ins
Recruiting

salespeople to find out how much time was actually being spent on selling vs. performing service-related, administrative, or managerial duties. Management was surprised to find that only 37% of their salespeoples' time (88 days per year) was actually spent on selling.

When time spent on servicing customers was converted to dollars, surprise quickly turned to shock. Out of $72,000 in direct selling costs per territory, $20,200 was being spent on servicing customers, which equaled a total of over $2 million in 100 territories (see Exhibit 4).

Allocating Time

What percent of your time is spent...

1. _____ Selling?
   _____ Servicing?
   100% TOTAL
2. _____ Developing new business?
   _____ Maintaining current accounts?
   100% TOTAL
3. _____ Selling to distributors?
   _____ Selling to end users?
   100% TOTAL
4. _____ Servicing distributors?
   _____ Servicing end users?
   100% TOTAL
5. _____ Selling product A?
   _____ Selling product B?
   _____ Selling product C?
   100% TOTAL

With sales behind schedule and competition heating up, selling—rather than service—obviously needed a much greater emphasis. In their search for a solution, the service function was broken down into its various components and spread among different types of customers. The information indicated that inventory updates consumed the largest portion of service time (see Exhibit 5).

A better use of time for both the manufacturer and the customer, management said, would be selling the product line and promotions to dealers in order to increase sales volume at the jobber and distributor levels.

A reduction in service was then planned by moving some responsibility for inventory updates from the manufacturer back to the customer. While salespeople would still play an important role in the updating of inventories, they would personally perform fewer of the physical tasks. A total of 13 days per territory, or 1,300 days for the

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company's 100 territories (almost $400,000 worth of time at $300 per day), were then transferred from service to sales (see Exhibit 6). The reallocation of time provided a 15% increase in the actual number of selling days and better positioned salespeople for reversing the negative trend in sales.

HOW NOW

What these cases reveal is that when reviewing selling costs and preparing budgets, it is important to occasionally evaluate how your sales dollars are actually being spent. Examine how your salespeople are spending their time, ask them how they would like to re-direct their efforts, and look for opportunities to make trade-offs between selling and other activities. Once you do this, you may find a number of more productive ways to leverage selling time while also meeting the service needs of your customers.

Mark Blessington is national practice leader of sales management for Sibson & Company, Inc., a Princeton, NJ-based consulting firm that specializes in compensation-related issues for sales and marketing.

Time and Money Spent Per Salesperson

FUNCTION	DAYS	PERCENT	COST
Sales to current accounts and prospecting new accounts	88	37%	$26,600
Service	67	28%	$20,200
Administration & management	85	35%	$25,200

Service Days Spent by Type of Customer

CUSTOMER	INVENTORY UPDATES	PRODUCT LIFTS	LOCATION MOVES	NEW SHELVING	TOTAL
Distributor	14	6	3	2	25
Jobber	21	9	4	3	37
Dealer	2	1	1	1	5
TOTAL DAYS	**37**	**16**	**8**	**6**	**67**

Reallocation of Service Days

COMPONENT	INVENTORY UPDATES	PRODUCT LIFTS	LOCATION MOVES	NEW SHELVING	TOTAL
Current service	37	16	8	6	67
Reduction	8	3	1	1	13
NEW SERVICE LEVEL	**28**	**13**	**7**	**5**	**54**

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Salespeople's Average Annual Compensation

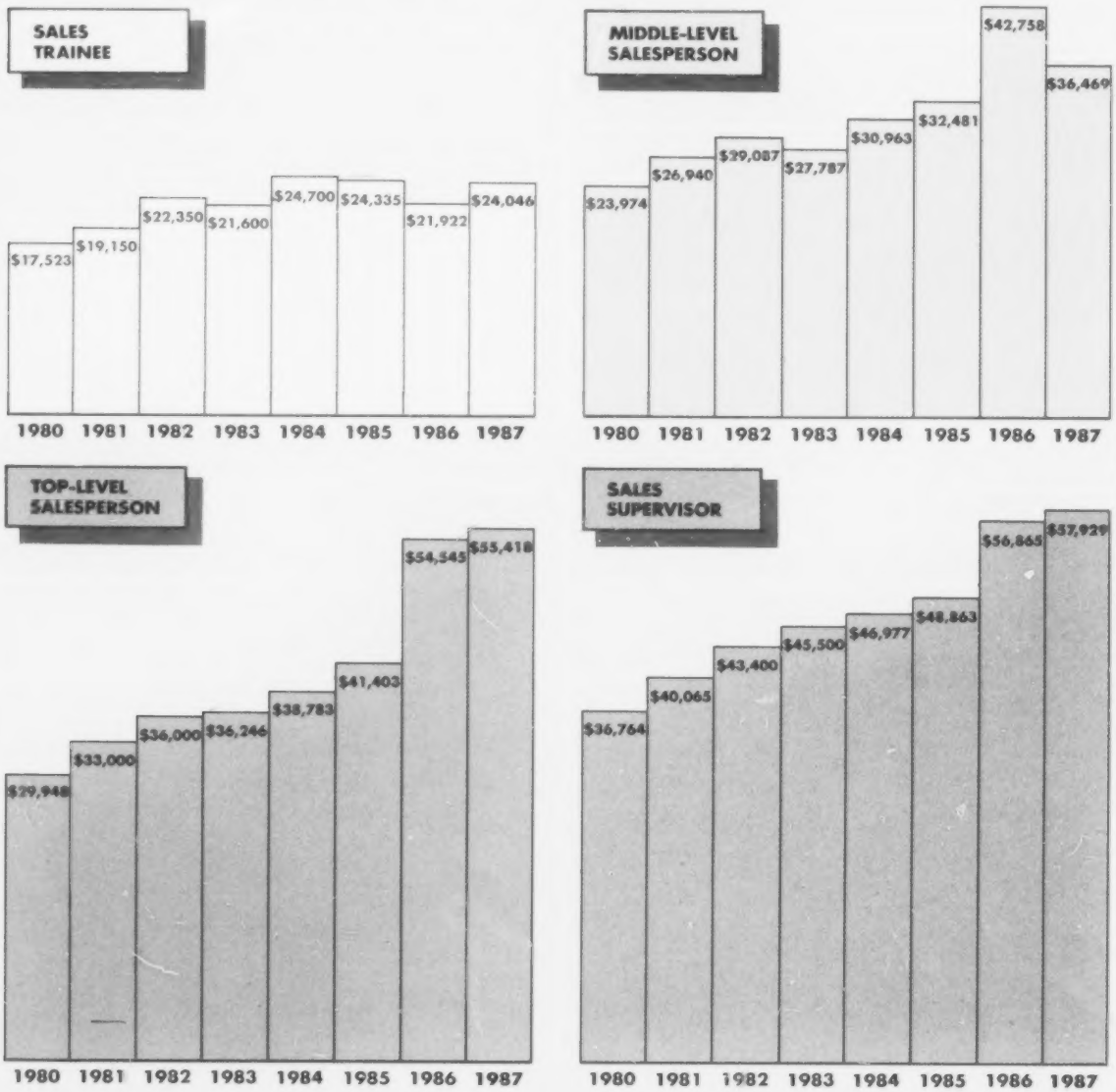
DEFINITIONS OF SALES PERSONNEL

Sales Trainee: Anyone at an entry level who is in the process of learning about the company's products, services, and policies in preparation for a regular sales assignment.

Middle-Level Salesperson: A "regular" salesperson with selling experience ranging from a beginner, who primarily contacts already established customers and accounts, to more experienced field sales personnel who have a broad knowledge of products and/or services and are selling in established territories as well as developing new prospects.

Top-Level Salesperson: A salesperson at the highest level of selling responsibility who is completely familiar with the company's products, services, and policies. A salesperson at this level usually has many years of experience and is assigned to a company's major accounts or territories.

Sales Supervisor: A veteran who, due to his ability and experience, leads others. Although his primary function is to direct the activities of the sales force (and in some cases, to train salespeople), he may also retain certain key accounts.



NOTES: COMPENSATION equals salary plus commissions and incentives but excludes T&E (travel and entertainment) expenses. Figures for the years 1980-85 apply to consumer goods, industrial goods, and "other," that is, insurance, transportation, utilities, and services, and represent medians as calculated by Executive Compensation Service, a subsidiary of the Wyatt Co. Figures for 1986 & 1987 represent averages compiled by Sales & Marketing Management in a survey of consumer, industrial, and service companies. CAUTION: Due to the differences between the ECS and S&MM surveys, comparisons between 1986 or 1987 and previous years should not be made since the methods involved in gathering these data differ.

Compensation for Sales-Support Personnel

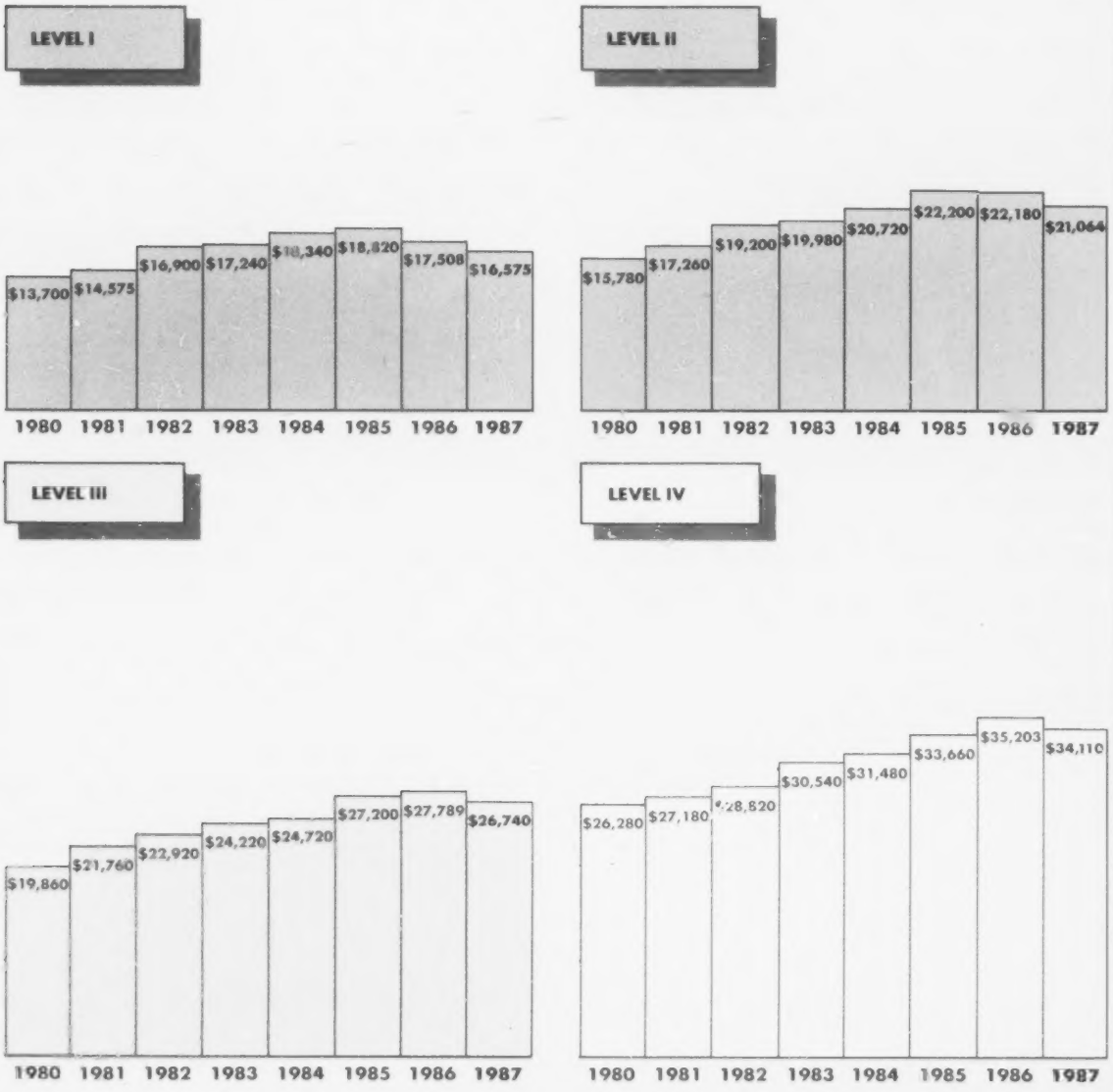
DEFINITIONS OF SALES-SUPPORT PERSONNEL

Level I—Basic: Performs assigned tasks using established procedures that require little evaluation. Generally reports to a supervisor.

Level II—Intermediate: A worker who performs tasks involving limited responsibilities and standard procedures. Some originality is called for, although evaluation by supervisory personnel is still required.

Level III—Highest non-supervisory: Expected to exercise considerable originality and, in some cases, make evaluations. Personnel at this level also assist in training and supervision of Level I employees.

Level IV—Supervisor: This individual's primary job is to direct others, assigning tasks and making evaluations. He also consults with superiors on more complex phases of assigned work.



NOTES: Sales-support personnel include sales analysts, customer service representatives, sales correspondents, sales training reps, exhibit & display coordinators, etc. Figures for 1980-85 represent medians as calculated by Executive Compensation Service, a subsidiary of the Wyatt Co. Figures for 1986 & 1987 represent averages compiled by Sales & Marketing Management in a survey of consumer, industrial, and service companies. CAUTION: Due to this new benchmark, comparisons between 1986 or 1987 and previous years should not be made since the methods involved in gathering these data differ.

TABLE II-3

Salespeople's Average 1987 Compensation

INDUSTRY	SALES TRAINEE		MIDDLE-LEVEL SALESPERSON		TOP-LEVEL SALESPERSON		SALES SUPERVISOR	
	COMPENSATION	T&E EXPENSES	COMPENSATION	T&E EXPENSES	COMPENSATION	T&E EXPENSES	COMPENSATION	T&E EXPENSES
CONSUMER GOODS	$22,570	$8,000	$39,000	$9,750	$51,200	$11,750	$60,071	$14,125
INDUSTRIAL GOODS	$25,318	$9,744	$36,000	$11,901	$49,000	$14,098	$58,092	$16,188
SERVICES	$23,000	$6,619	$32,175	$8,000	$40,000	$10,200	$40,238	$10,952

NOTES: Compensation includes base salary, commission, and bonus. **T&E Expenses** include travel, entertainment, food, and lodging.
SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

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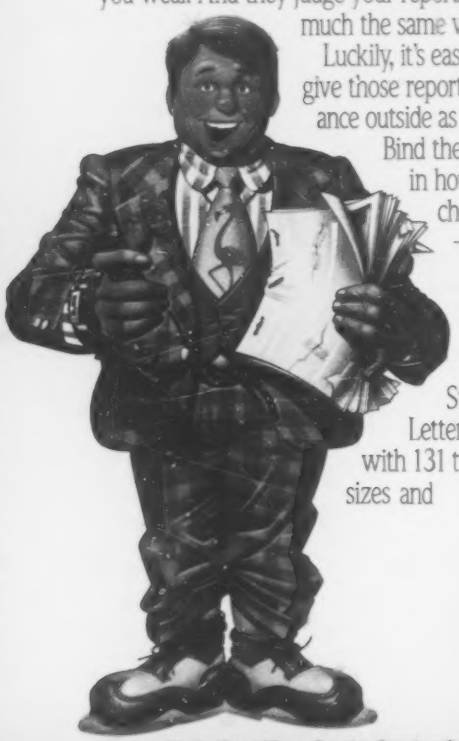

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TABLE II-4

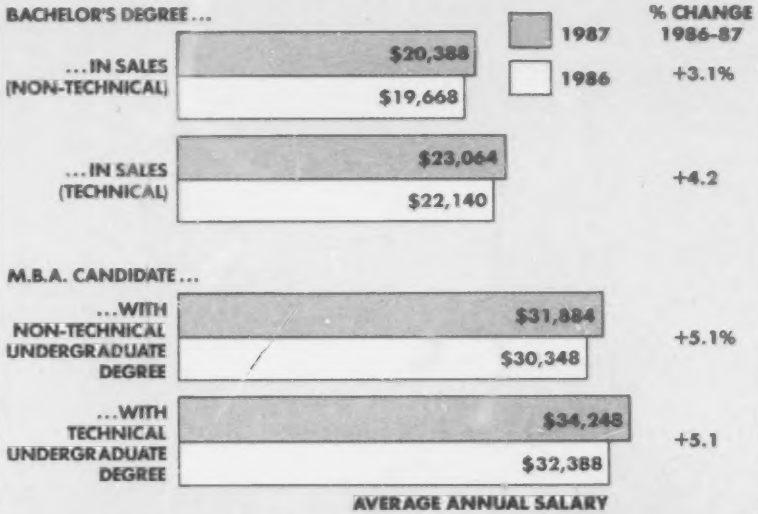
Total Selling Expenses For Selected Industries

INDUSTRY	AVERAGE COMPENSATION	T&E EXPENSES	TOTAL EXPENSES
Consumer			
Building materials	$54,250	$15,500	$69,750
Chemicals/wholesale	45,250	11,875	57,125
Commercial printing	39,153	10,145	49,298
Household furniture	51,875	7,750	59,625
Industrial			
Construction	$52,250	$ 4,500	$56,750
Electronic computers	43,562	7,857	51,419
Furniture	44,000	11,000	55,000
Medical equip./wholesale	46,909	13,545	60,454
Medicinals & botanicals	48,818	17,000	65,818
Packing & crating	38,066	6,166	44,232
Packing & sealing devices	39,866	12,727	52,593
Paper mills	37,875	14,000	51,875
Plumbing & heating equip.	36,285	8,666	44,951
Service			
Advertising	$37,071	$10,428	$47,499
Computer services	63,562	8,846	72,408
Consulting services	48,333	9,300	57,633
Data processing services	48,166	6,000	54,166
Graphic design	27,888	12,644	40,532
Insurance	54,625	6,625	61,250

NOTES: Average Compensation includes base salary, commission, and bonus.
T&E Expenses include travel, entertainment, food, and lodging costs.
SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

TABLE II-5

Starting Salaries of Trainees with College Degrees



NOTES: This salary survey is a study of beginning salary offers made to graduating students during the recruiting period September through June and reports offers, not acceptances, with no limit on the number of offers per student. Data have been gathered from 164 placement offices located throughout the U.S. M.B.A. candidates are defined as students seeking a degree in Business Administration, Industrial Management, or Commerce. Candidates with a non-technical undergraduate degree are defined as those with less than one year of full-time, non-military employment.
SOURCE: College Placement Council, *Salary Survey—A Study of 1986-87 Beginning Offers.* 1987

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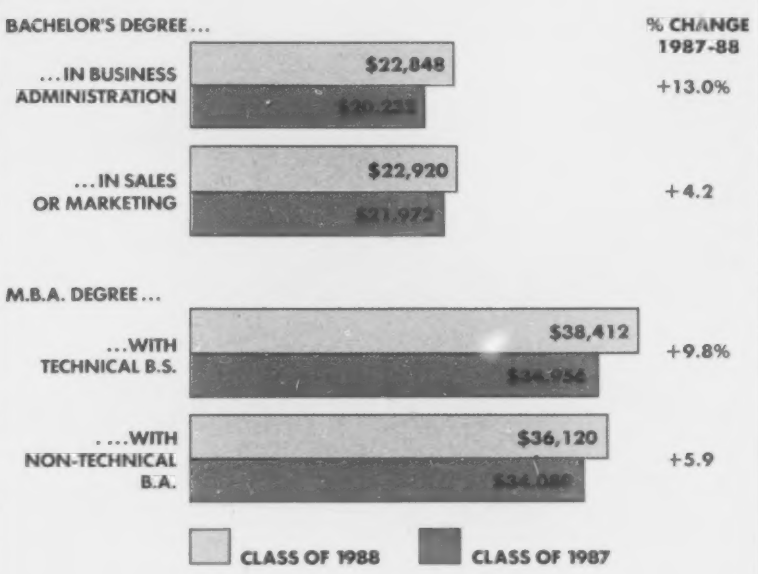
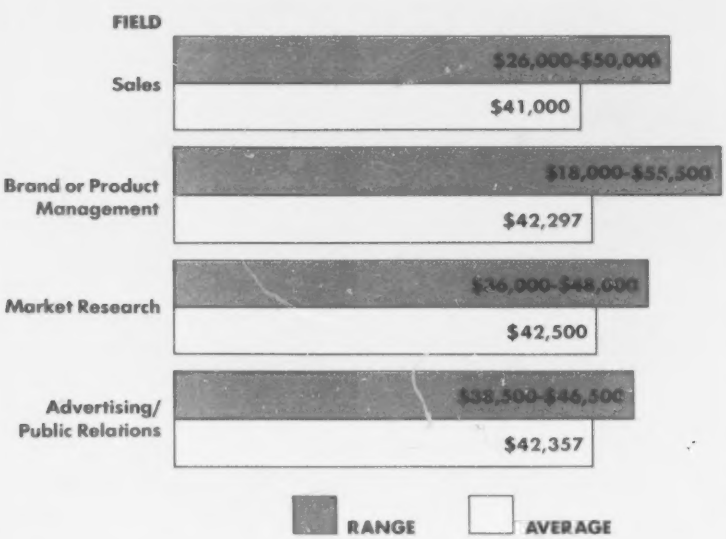
Starting Salaries of College Graduates to be Hired



NOTES: The salaries shown are what companies offered, not what they actually paid.

SOURCE: *The Northwestern Lindquist-Endicott Report, 1988* by Dean Victor R. Lindquist. Published by Northwestern University Placement Center, full report available for $25.00.

Salary Statistics for M.B.A. Graduates Entering Marketing



NOTES: The survey sample includes graduates with four years' experience prior to receiving their M.B.A. Figures represent 83.9% of the total class that reported accepting jobs.

SOURCE: University of Pennsylvania, The Wharton School, *The Wharton School M.B.A. Placement Survey, Class of 1987.*

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SECTION III

SALES MEETINGS & SALES INCENTIVES

THE SALES MEETING BUDGET: A TALE OF THREE CITIES

An examination of meeting costs for different locations reveals which pieces of the pie are most easily digested.

Where should you hold your next sales meeting? The answer is not as simple as it might seem. What makes one destination more desirable than another is not a matter of geography or location, but one of costs; things like the price of auto rental, airfares, rooms, and meals. To illustrate how you can make more effective use of your meeting dollars, here's an item-by-item breakdown of costs for the same sales meeting held in three different cities: Detroit, Atlanta, and Dallas. The charts showing individual expenses have been drawn up using data from the following *Survey of Selling Cost* tables:

TABLE I-10: *Selling Costs in 86 Major U.S. Metros*
TABLE III-4: *Sales Meeting Costs*
TABLE III-6: *Selected Airport Hotels*
TABLE IV-3: *A-V Equipment Purchase & Rental Costs*
TABLE V-6: *Airfares for the 25 Most-Traveled Routes*

The scenario involves a 3-day sales meeting to be attended by a core of 15 people from the company's home office in New York City, with four additional people as part-time attendees. In each case, the meeting will be held at a major chain hotel located at or near the airport of the city in question. Costs for lodging and meals can be found in Table III-6, meeting-related costs in Table III-4, A-V expenses in Table IV-3, transportation costs in Table V-6, and tax and auto rental data in Table I-10.

In this example, the per-person rate for double-occupancy **Lodging** is entered first, calculated by adding the lodging tax rate to the appropriate figure from Table III-6. The number of times this cost is incurred is 47, since the 15 core attendees will need three nights' lodging apiece and two of the four additional attendees will need a room for one night. **Meal Costs** (also including tax) are factored in next, with the figures in column 2 reflecting the addition of part-time attendees for certain meals on the second and third days.

There will be a total of five **Coffee Breaks** over the course of the 3-day meeting, with the per person cost multiplied by 77, due to the fact that the break on the morning of the third day will include 17 rather than 15 people. A **Cocktail Party** planned for the evening of the second day will include a total of 17 attendees, and the cost of a **Hospitality Suite** is not entered, since this element is usually reserved for trade shows or conventions.

The cost of **Meeting Rooms** (in this case, only one room will be needed) is multiplied by three (days), with the totals for each individual line entered under column 3, **Total Cost Per Element**. By adding the totals for lines 4 through 9, we arrive at a **Subtotal for In-house Costs** which is then entered on line 10, column 3.

Supplementary costs can then be added, beginning with **A-V Expenses** of $483.00 for the 3-day rental of a videocassette player and large-screen receiver. Costs for **Meals Away from the Hotel** will not be incurred here, since all meals will be taken at the hotel. Because the meeting is being held at the airport, the cost of **Transportation to and from the Airport** will be eliminated, as will the cost of **Auto Rental**, which will help keep overall expenses down.

Transportation to the Meeting

EXHIBIT 1

Detroit

IN-HOUSE COSTS:	1. CITY/METRO COSTS	2. NO. OF TIMES COST IS INCURRED	3. TOTAL COST PER ELEMENT
4. Lodging	$104.50	47	$4,911.50
5. Meal Costs			
Breakfast	$10.50	47	$493.50
Lunch	$14.25	49	$698.25
Dinner	$18.56	32	$593.92
6. Coffee Breaks	$3.00	77	$231.00
7. Cocktail Party	$14.00	17	$238.00
8. Hospitality Suite			
9. Meeting Rooms	$125.00	3	$375.00
10. Subtotal for In-house Costs			$7,541.17
SUPPLEMENTARY COSTS:			
11. A-V Expenses			$483.00
12. Meals Away from Hotel			
13. Transportation to and from Airport			
14. Auto Rental			
15. Transportation to Meeting Destination	$204.50	34	$6,953.00
16. Misc. Materials			$1,450.00
17. Subtotal for Supplementary Costs			$8,886.00
18. Subtotal for In-house Costs			$7,541.17
19. **Total Costs**			**$16,427.17**
20. Meeting Participants			17
21. Average Cost Per Participant			$966.30

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EXHIBIT 2

Atlanta

IN-HOUSE COSTS:	1. CITY/METRO COSTS	2. NO. OF TIMES COST IS INCURRED	3. TOTAL COST PER ELEMENT
4. Lodging	$123.17	47	$5,788.99
5. Meal Costs			
Breakfast	$12.55	47	$589.85
Lunch	$17.48	49	$856.52
Dinner	$23.05	32	$737.60
6. Coffee Breaks	$3.65	77	$281.05
7. Cocktail Party	$17.40	17	$295.80
8. Hospitality Suite			
9. Meeting Rooms	$142.50	3	$427.50
10. Subtotal for In-house Costs			$8,977.31
SUPPLEMENTARY COSTS:			
11. A-V Expenses			$483.00
12. Meals Away from Hotel			
13. Transportation to and from Airport			
14. Auto Rental			
15. Transportation to Meeting Destination	$222.50	34	$7,565.00
16. Misc. Materials			$1,450.00
17. Subtotal for Supplementary Costs			$9,498.00
18. Subtotal for In-house Costs			$8,977.31
19. **Total Costs**			**$18,475.31**
20. Meeting Participants			17
21. Average Cost Per Participant			$1,086.78

EXHIBIT 3

Dallas

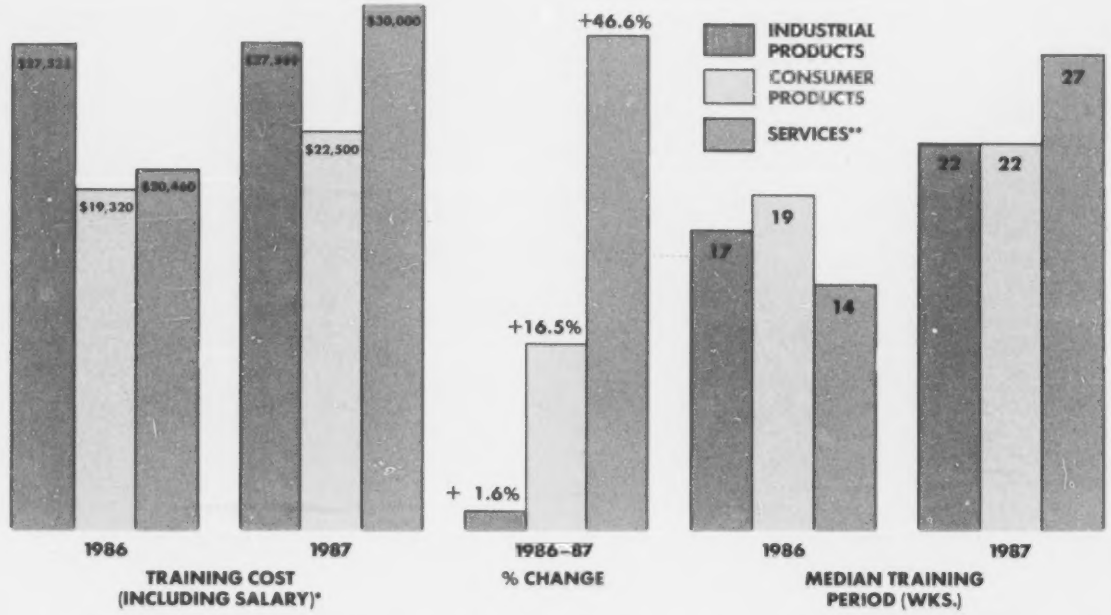
IN-HOUSE COSTS:	1. CITY/METRO COSTS	2. NO. OF TIMES COST IS INCURRED	3. TOTAL COST PER ELEMENT
4. Lodging	$124.30	47	$5,842.10
5. Meal Costs			
Breakfast	$13.18	47	$619.46
Lunch	$20.57	49	$1,007.93
Dinner	$31.70	32	$1,014.40
6. Coffee Breaks	$4.00	77	$308.00
7. Cocktail Party	$17.00	17	$289.00
8. Hospitality Suite			
9. Meeting Rooms	$112.50	3	$337.50
10. Subtotal for In-house Costs			$9,418.39
SUPPLEMENTARY COSTS:			
11. A-V Expenses			$483.00
12. Meals Away from Hotel			
13. Transportation to and from Airport			
14. Auto Rental			
15. Transportation to Meeting Destination	$244.00	34	$8,296.00
16. Misc. Materials			$1,450.00
17. Subtotal for Supplementary Costs			$10,229.00
18. Subtotal for In-house Costs			$9,418.39
19. **Total Costs**			**$19,647.39**
20. Meeting Participants			17
21. Average Cost Per Participant			$1,155.73

Destination, based on a median of the one-way coach fares found in Table V-6, will be multiplied by 34, since two of the four additional attendees will be motivational speakers who live in the city where the meeting will be held. The cost of **Miscellaneous Materials** such as videos, transparencies, printed materials, awards, and other items has been budgeted at $1,450.00 and entered on line 16 under column 3.

Adding the totals for lines 11 through 15 gives us a **Subtotal for Supplementary Costs**, which is then added to the **Subtotal for In-house Costs** found on line 10, producing a **Total Costs** figure for each destination. Dividing this number by the total number of **Meeting Participants** (in this case 17), we get an **Average Cost Per Participant**, which is then entered on line 21.

TABLE III-1

Average Cost of Sales Training Per Salesperson

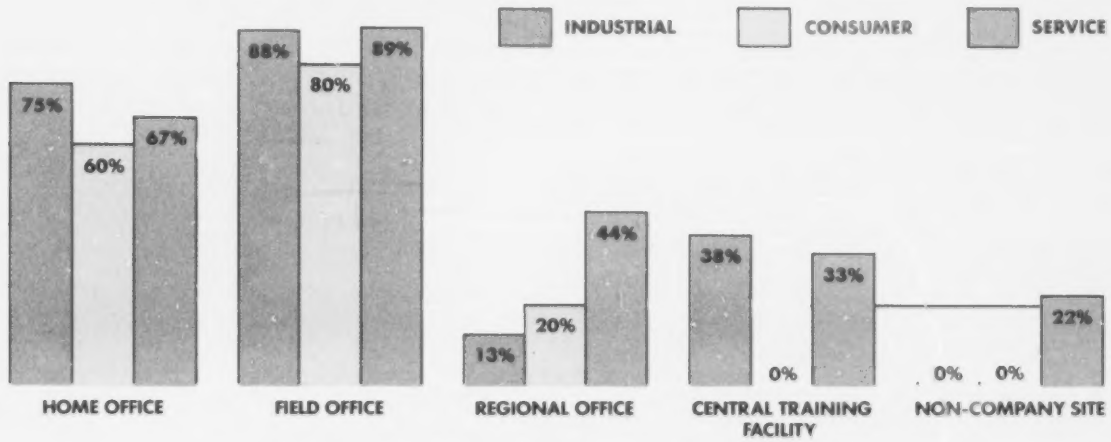


Notes: *In addition to salary, this figure covers such items as instructional materials prepared, purchased, and rented for the training program; transportation and living expenses incurred during training; instructional staff fees; any outside seminars and courses; and management time spent with salespeople when a part of the training program. **Includes such industries as insurance, financial, public and private utilities, transportation, and retailing. Some fluctuation in data for specific years may reflect changes in the number and type of organizations reporting.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

TABLE III-2

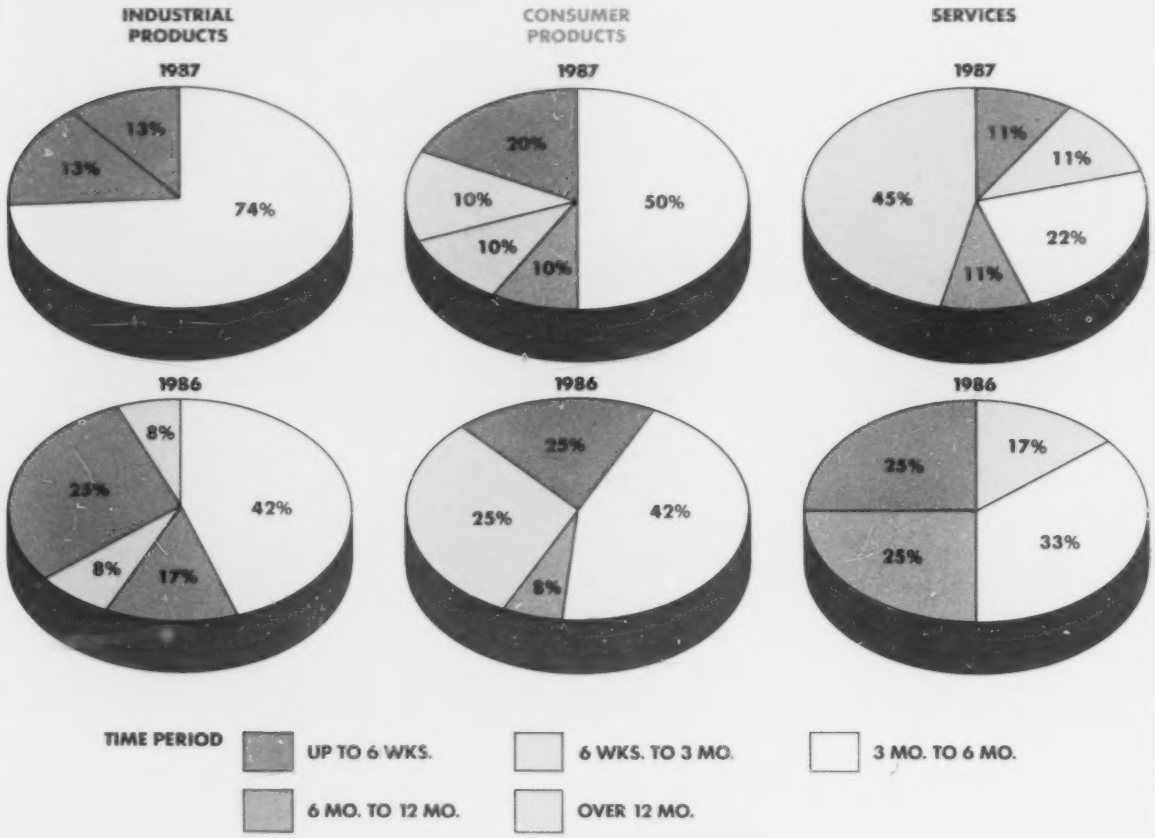
Sites Most Frequently Used for Sales Training



SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

TABLE III-3

Length of Training Period for New Salespeople



SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

TABLE III-4

Sales Meeting Costs by City

CITY	MEDIAN GROUP ROOM RATES SINGLE	MEDIAN GROUP ROOM RATES DOUBLE	MEDIAN GROUP MEAL RATES (PER PERSON)	COFFEE BREAK WITH ROLLS (PER PERSON)	HOSPITALITY SUITE RENTAL	2-HR. RECEPTION (PER PERSON)	MEETING ROOM (MEDIAN RATE)
Atlantic City, NJ	Low: $73.50 High: $88.50	Low: $73.50 High: $88.50	B-$11.25 L-$18.75 D-$32.15	$5.50	$237.50	$30.00	For 25: $150.00 50: $150.00 75: $150.00 100: $250.00
Atlanta, GA	Low: $88.50 High: $95.00	Low: $98.50 High: $128.00	B-$11.25 L-$14.75 D-$21.85	$3.65	$300.00	$17.40	For 25: $142.50 50: $200.00 75: $300.00 100: $450.00
Boston, MA	Low: $115.00 High: $115.00	Low: $132.50 High: $132.50	B-$11.50 L-$19.65 D-$26.20	$5.00	$323.75	$16.00	For 25: $225.00 50: $300.00 75: $575.00 100: $750.00
Chicago, IL	Low: $76.00 High: $121.00	Low: $83.50 High: $132.00	B-$11.30 L-$15.80 D-$33.55	$3.60	$232.50	$19.00	For 25: $195.00 50: $250.00 75: $300.00 100: $300.00

Sales Meeting Costs by City

CITY	MEDIAN GROUP ROOM RATES SINGLE	DOUBLE	MEDIAN GROUP MEAL RATES (PER PERSON)	COFFEE BREAK WITH ROLLS (PER PERSON)	HOSPITALITY SUITE RENTAL	2-HR. RECEPTION (PER PERSON)	MEETING ROOM (MEDIAN RATE)
Cleveland, OH	Low: $68.50 High: $72.50	Low: $84.00 High: $88.00	B-$10.55 L-$17.35 D-$26.05	$4.60	$278.75	$16.00	For 25: $137.50 50: $225.00 75: $275.00 100: $325.00
Dallas, TX	Low: $62.00 High: $90.00	Low: $78.00 High: $100.00	B-$9.85 L-$16.00 D-$29.85	$4.00	$150.00	$17.00	For 25: $112.50 50: $200.00 75: $215.00 100: $300.00
Denver, CO	Low: $70.00 High: $93.00	Low: $79.50 High: $108.00	B-$9.45 L-$13.35 D-$20.05	$5.25	$312.50	$17.65	For 25: $112.50 50: $162.50 75: $225.00 100: $275.00
Detroit, MI	Low: $79.00 High: $95.00	Low: $94.00 High: $105.00	B-$10.50 L-$13.20 D-$21.60	$3.00	$175.00	$14.00	For 25: $125.00 50: $130.00 75: $250.00 100: $250.00
Honolulu, HI	Low: $75.00 High: $115.00	Low: $75.00 High: $115.00	B-$12.80 L-$14.30 D-$22.65	$4.45	$220.00	$35.00	For 25: $150.00 50: $400.00 75: $400.00 100: $600.00
Houston, TX	Low: $64.00 High: $78.00	Low: $78.00 High: $88.00	B-$8.00 L-$13.30 D-$20.75	$4.00	$175.00	$21.00	For 25: $100.00 50: $181.25 75: $200.00 100: $218.75
Indianapolis, IN	Low: $49.50 High: $82.00	Low: $59.25 High: $82.50	B-$6.50 L-$10.20 D-$14.70	$2.15	$150.00	$15.00	For 25: $72.50 50: $100.00 75: $190.00 100: $190.00
Las Vegas, NV	Low: $75.00 High: $105.00	Low: $75.00 High: $105.00	B-$12.30 L-$13.55 D-$28.30	$5.55	$225.00	$27.50	For 25: $100.00 50: $118.75 75: $140.00 100: $212.50
Los Angeles, CA	Low: $91.50 High: $138.00	Low: $100.50 High: $170.00	B-$11.90 L-$18.90 D-$30.80	$4.10	$333.75	$19.95	For 25: $150.00 50: $225.00 75: $275.00 100: $350.00
Miami, FL	Low: $55.00 High: $70.00	Low: $55.00 High: $75.00	B-$9.15 L-$11.70 D-$32.60	$4.30	$120.00	$23.00	For 25: $100.00 50: $100.00 75: $250.00 100: $250.00
Milwaukee, WI	Low: $50.00 High: $65.00	Low: $62.00 High: $75.00	B-$7.60 L-$11.55 D-$16.20	$3.35	$125.00	$10.00	For 25: $75.00 50: $85.00 75: $120.00 100: $125.00
Minneapolis, MN	Low: $70.00 High: $87.50	Low: $80.00 High: $112.00	B-$10.35 L-$15.25 D-$25.00	$3.35	$250.00	$12.50	For 25: $200.00 50: $225.00 75: $300.00 100: $400.00
New Orleans, LA	Low: $87.00 High: $116.00	Low: $103.00 High: $134.00	B-$12.75 L-$18.75 D-$29.40	$4.40	$300.00	$25.00	For 25: $100.00 50: $100.00 75: $175.00 100: $225.00
New York, NY	Low: $120.00 High: $130.00	Low: $130.00 High: $140.00	B-$16.90 L-$20.00 D-$34.40	$6.90	$280.00	$29.50	For 25: $250.00 50: $500.00 75: $500.00 100: $1,100.00
Oakland, CA	Low: $89.00 High: $111.00	Low: $89.00 High: $126.00	B-$9.70 L-$17.00 D-$24.50	$3.65	$225.00	$20.00	For 25: $110.00 50: $175.00 75: $200.00 100: $400.00
Orlando, FL	Low: $64.00 High: $65.00	Low: $72.00 High: $79.00	B-$8.80 L-$13.25 D-$18.10	$4.25	$100.00	$20.00	For 25: $125.00 50: $125.00 75: $150.00 100: $200.00

TABLE III-4

Sales Meeting Costs by City

CITY	MEDIAN GROUP ROOM RATES SINGLE	MEDIAN GROUP ROOM RATES DOUBLE	MEDIAN GROUP MEAL RATES (PER PERSON)	COFFEE BREAK WITH ROLLS (PER PERSON)	HOSPITALITY SUITE RENTAL	2-HR. RECEPTION (PER PERSON)	MEETING ROOM (MEDIAN RATE)
Philadelphia, PA	Low: $87.00 High: $92.00	Low: $89.00 High: $98.00	B-$10.90 L-$14.85 D-$23.90	$3.40	$250.00	$20.00	For 25: $125.00 50: $125.00 75: $325.00 100: $362.50
Phoenix-Scottsdale, AZ	Low: $65.00 High: $95.00	Low: $65.00 High: $105.00	B-$7.45 L-$10.90 D-$13.25	$4.05	$135.00	$15.00	For 25: $75.00 50: $75.00 75: $150.00 100: $150.00
Pittsburgh, PA	Low: $61.00 High: $69.00	Low: $71.00 High: $79.00	B-$8.80 L-$11.15 D-$21.80	$2.45	$150.00	$17.00	For 25: $85.00 50: $85.00 75: $100.00 100: $150.00
Reno, NV	Low: $58.50 High: $78.00	Low: $58.50 High: $78.00	B-$10.30 L-$12.10 D-$18.00	$3.35	$250.00	$25.00	For 25: $100.00 50: $150.00 75: $300.00 100: $300.00
St. Louis, MO	Low: $67.00 High: $85.00	Low: $77.00 High: $85.00	B-$7.95 L-$12.20 D-$19.50	$4.60	$150.00	$13.50	For 25: $100.00 50: $100.00 75: $150.00 100: $200.00
San Antonio, TX	Low: $65.00 High: $95.00	Low: $80.00 High: $110.00	B-$10.75 L-$16.30 D-$22.75	$2.70	$150.00	$16.50	For 25: $100.00 50: $100.00 75: $200.00 100: $200.00
San Diego, CA	Low: $110.00 High: $112.00	Low: $110.00 High: $112.00	B-$12.10 L-$17.55 D-$27.25	$4.45	$285.00	$23.60	For 25: $150.00 50: $175.00 75: $250.00 100: $350.00
San Francisco, CA	Low: $90.00 High: $95.00	Low: $100.00 High: $105.00	B-$13.40 L-$17.10 D-$30.50	$5.20	$262.50	$24.00	For 25: $150.00 50: $150.00 75: $300.00 100: $300.00
Seattle, WA	Low: $70.00 High: $80.00	Low: $80.00 High: $90.00	B-$10.45 L-$13.50 D-$22.75	$3.70	$325.00	$17.50	For 25: $150.00 50: $175.00 75: $250.00 100: $350.00
Washington, DC	Low: $105.00 High: $120.00	Low: $105.00 High: $122.00	B-$12.40 L-$21.70 D-$37.20	$4.35	$275.00	$32.50	For 25: $150.00 50: $250.00 75: $250.00 100: $300.00

NOTES: Room Rates are shown for two different types of accommodations—economy (low) and premium (high). The median rate is the figure with an equal number of responses above and below it. Preferred rates are often available if the group guarantees a specific number of rooms. **Meal Rates** include tax and tip. **B**—Breakfast typically includes fruit and juice, entree, rolls/toast/sweet rolls, and beverage. **L** and **D**—Lunch and Dinner include appetizer, salad, entree, two vegetables or potato and vegetable, roll, butter, dessert, and beverage. Buffet meals, cold plates, and sandwich menus are often available at approximately the same costs for lunch. **Hospitality Suites** are often included in the cost of a **Reception**, particularly when the hotel provides liquor and hors d'oeuvres. Also, there is often no charge for the **Meeting Room** if a specific number of rooms for lodging are guaranteed, or if a group meal is included with the cost of a meeting. Meeting room rental costs are based on theater-style seating.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

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TABLE III-5

Selected Conference Centers

LOCATION	FACILITIES & RATES						
	SLEEPING ROOMS	CAPACITY	MEETING ROOMS	RATE/PER/DAY (DBL. OCC., AP)	NEAREST MAJOR AIRPORT	DRIVING TIME FROM AIRPORT	RECREATION FACILITIES
Arrowwood Of Westchester, Rye Brook, NY	274	548	36	$218	La Guardia, New York City	40 min.	9-hole golf course; indoor/-outdoor pool; 4 tennis courts (2 indoor, 2 outdoor); health club; sauna; croquet-basketball-racquetball-squash facilities; par jogging course; cross-country skiing; bicycling; access to horseback riding & driving range
Cheyenne Mountain Inn, Colorado Springs, CO	216	400	24	$105-$155	Colorado Springs	10 min.	18-hole championship golf course; 35-acre stocked trout lake; sailing; windsurfing; 16 tennis courts (6 outdoor, 10 indoor); 2 racquetball courts; 3 squash courts; 3 pools (1 indoor, 2 outdoor); Nautilus fitness center; complete spa
Doubletree Hotel & Conference Center, St. Louis, MO	223	320	28	$120-$155	Lambert International, St. Louis	25 min.	2 swimming pools (1 indoor, 1 outdoor); 8 outdoor tennis courts (4 lighted); 9 indoor tennis courts; 6 racquetball courts; game room; health club; Jacuzzi; sauna; steam rooms; 5 tanning booths; indoor basketball, volleyball & driving range; jogging track
Ft. Magruder, Williamsburg, VA	304	700	19	$75-$134	Norfolk Airport	45 min.	Outdoor swimming pool; 2 lighted tennis courts; men's & women's saunas; whirlpool; exercise room; game room; access to 18-hole golf course
Harrison Inn & Conference Center At Heritage Village, Southbury, CT	163	326	26	$119-$184	La Guardia, New York City	1 ½ hrs.	Indoor and outdoor swimming pools; tennis courts; racquetball courts; volleyball; health club; sauna; whirlpool; steam room; Jacuzzi; game room with billiards; access to skiing, ice skating, horseback riding, and 9- & 18-hole golf courses
Holiday Inn Executive Conference Center, Memphis, TN	178	250	23	$98	Memphis International	25 min.	18-hole golf course; outdoor swimming pool; 2 lighted tennis courts; sauna; game room; basketball; volleyball; fishing; bicycling; hiking; jogging paths; horseshoes; exercise room; aerobics classes
Houstonian Hotel & Conference Center, Houston, TX	* 246	425	33	$126	Houston Intercontinental	30 min.	2 outdoor swimming pools; 5 lighted tennis courts; 8 racquetball courts; health club; sauna; indoor and outdoor running tracks; basketball; volleyball; access to 18-hole golf course
Hudson River Conference Center, Ossining, NY	150	300	34	$185	La Guardia, New York City	1 hr.	Indoor pool; whirlpool; sauna; 2 tennis courts; 2 racquetball courts; volleyball; access to 18-hole golf course, basketball, exercise area
Indigo Lakes Conference Center, Daytona Beach, FL	212	350	14	$109-$118	Daytona Airport, Daytona Beach	10 min.	18-hole golf course; putting greens and driving range; outdoor swimming pool; 10 lighted tennis courts; health spa; exercise room; par jogging course; 2 racquetball courts; shuffleboard; volleyball
James L. Knight International Center, Miami, FL	615	5,000	37	$110-$160	Miami International	10 min.	Outdoor swimming pool; access to golf, tennis, boating & beach

TABLE III-5

Selected Conference Centers

LOCATION	FACILITIES & RATES						
	SLEEPING ROOMS	CAPACITY	MEETING ROOMS	RATE/PER/DAY (DBL. OCC., AP)	NEAREST MAJOR AIRPORT	DRIVING TIME FROM AIRPORT	RECREATION FACILITIES
Las Colinas Inn, Irving, TX	315	250	26	$214	Dallas-Ft. Worth	10 min.	18-hole TPC championship golf course; 12 tennis courts (4 indoor, 8 outdoor); 7 racquetball courts; 3 pools (1 indoor, 2 outdoor); indoor/outdoor running track; spa & health facilities; 2 squash courts; basketball
Lion Square Lodge & Conference Center, Vail, CO	126	400	6	$75-$165 (EP)	Denver Airport	2 hrs.	Outdoor swimming pool; 3 outdoor hot tubs; 2 saunas; cross-country & downhill skiing; ice skating; tennis courts; access to 4 golf courses, horseback riding, rafting, canoeing, fishing, hiking trails, snowmobile, and bicycle paths
Ocean Edge Resort & Conference Center, Brewster, MA	180	360	13	$[illegible]	Hyannis Barnstable or Logan International, Boston	20 min. or 1½ hrs.	18-hole PGA golf course, private beach; indoor & outdoor pools; full recreation center; health club; access to horseback riding, stocked trout lake, bicycling, jogging trail, 5 tennis courts
Peachtree Executive Conference Center, Peachtree City, GA	252	600	24	$145	Hartsfield International, Atlanta	25 min.	2 swimming pools (1 indoor, 1 outdoor); 3 lighted tennis courts; 2 racquetball courts; men's & women's saunas; exercise room; Jacuzzi; billiards; access to jogging courses, 27-hole golf course
Scanticon-Princeton Executive Center & Hotel, Princeton, NJ	301	330	37	$214	Newark International	45 min.	Indoor pool; 4 lighted tennis courts; men's & women's saunas; whirlpool; exercise room; game room; par jogging course; fitness cluster; jogging trails; access to 9- & 18-hole golf courses, ballooning, gliding, river rafting, and horseback riding
Scottsdale Conference Center & Resort Hotel, Scottsdale, AZ	326	705	45	$90-$190	Phoenix International	25 min.	2 outdoor swimming pools; 8 lighted tennis courts; men's & women's health clubs; game room; desert jeep tours; bicycling; access to 2 18-hole golf courses, horseback riding, and sailing
Sheraton Inn & Conference Center, Boxborough, MA	143	1,500	14	$44	Logan International, Boston	50 min.	2 swimming pools; (1 indoor, 1 outdoor); 2 tennis courts; sauna; cross-country skiing; ice skating; jogging trails; volleyball; softball; basketball; exercise room; barbecue area
Tara Hyannis Hotel, Hyannis, MA	224	2,000	19	$60-$150	Logan International, Boston	1½ hrs.	18-hole golf course; 2 putting greens; 2 swimming pools (1 indoor, 1 outdoor); 2 tennis courts; men's & women's health clubs; sauna; Jacuzzi; Roman baths; game room; sightseeing tours; access to horseback riding, children's programs; nightclubs
Woodlands Inn & Country Club, Woodlands, TX	268	800	20	$85-$100	Houston Intercontinental	20 min.	3 18-hole golf courses; 2 outdoor swimming pools; 24 tennis courts (17 outdoor, 7 indoor); health club; game room

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

TABLE III-6

Selected Airport Hotels

LOCATION	SLEEPING ROOMS	MEETING ROOMS	AVG. GROUP LODGING RATE	AVG. GROUP MEAL RATE	DIST. FROM AIRPORT
ATLANTA **Marriott Hotel**	642	25	Sgl.-$98 Dbl.-$113	B-$11.95 L-$16.65 D-$21.95	¼ mile
BOSTON **Logan Airport** **Hilton Hotel**	557	22	Sgl.-$110 Dbl.-$130	B-$10.40 L-$16.95 D-$22.50	at airport
CHICAGO **Sheraton** **International O'Hare**	463	26	Sgl.-$90 Dbl.-$90	B-$11.00 L-$18.50 D-$26.15	2 miles
CLEVELAND **Airport Marriott**	378	7	Sgl.-$90 Dbl.-$90	B-$7.30 L-$12.25 D-$18.40	2½ miles
DALLAS- **FT. WORTH** **Hyatt Regency DFW**	1,400	70	Sgl.-$105 Dbl.-$110	B-$12.20 L-$19.05 D-$29.35	at airport
DENVER **Clarion Hotel**	588	19	Sgl.-$65-$75 Dbl.-$75-$85	B-$7.45 L-$15.50 D-$21.70	¼ mile
DETROIT **Marriott Hotel**	162	10	Sgl.-$95 Dbl.-$95	B-$10.10 L-$13.70 D-$17.85	at airport
HOUSTON **Marriott Hotel**	569	34	Sgl.-$39-$79 Dbl.-$39-$79	B-$8.70 L-$14.40 D-$27.50	at airport
KANSAS CITY **Hilton Airport** **Plaza**	348	40	Sgl.-$86 Dbl.-$96	B-$7.40 L-$11.10 D-$19.75	at airport
LOS ANGELES **Hilton Towers**	1,280	43	Sgl.-$99 Dbl.-$114	B-$9.70 L-$18.25 D-$26.75	½ mile
MEMPHIS **Airport Hilton**	380	15	Sgl.-$55-$60 Dbl.-$65-$75	B-$7.50 L-$9.05 D-$15.50	1 mile
MIAMI **Sherato . River** **House**	408	17	Sgl.-$85-$105 Dbl.-$95-$115	B-$9.75 L-$17.70 D-$28.05	¼ mile
NEW YORK **Viscount Int'l.**	495	12	Sgl.-$89 Dbl.-$99	B-$12.50 L-$18.75 D-$26.90	at airport
PHILADELPHIA **Airport Marriott**	331	16	Sgl.-$99 Dbl.-$109	B-$12.15 L-$13.65 D-$21.70	¼ mile
PHOENIX **Travelodge**	179	5	Sgl.-$44 Dbl.-$44	B-$6.65 L-$7.60 D-$11.00	at airport
ST. LOUIS **Airport Marriott**	602	41	Sgl.-$59-$99 Dbl.-$59-$99	B-$9.80 L-$14.70 D-$22.10	at airport
SAN DIEGO **Viscount Hotel**	212	6	Sgl.-$88 Dbl.-$98	B-$8.75 L-$9.05 D-$16.90	1 mile
SAN FRANCISCO **Airport Hilton**	529	27	Sgl.-$109 Dbl.-$116	B-$9.70 L-$19.40 D-$27.90	at airport
SEATTLE **Red Lion Sea-Tac**	850	27	Sgl.-$97-$123 Dbl.-$117-$133	B-$11.65 L-$18.40 D-$20.90	½ mile
TAMPA **Airport Marriott**	296	14	Sgl.-$88 Dbl.-$98	B-$10.00 L-$16.30 D-$22.60	at airport
WASHINGTON, DC **Sheraton Crystal**	195	11	Sgl.-$95-$135 Dbl.-$95-$135	B-$14.70 L-$18.20 D-$30.40	½ mile

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

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TABLE III-7

Selected Resort Hotels

	Boca Raton Hotel & Club Boca Raton, FL	The Broadmoor Colorado Springs, CO	The Cloister Hotel Sea Island, GA	Desert Inn Las Vegas, NV
SLEEPING ROOMS	1,000	550	264	818
MEETING ROOMS	27	36	15	8
AVERAGE GROUP LODGING RATES	*In Season:* (1/1-4/30) Sgl.-$260-$330 Dbl.-$295-$430 (5/1-5/31 & 10/1-12/31) Sgl.-$205-$255 Dbl.-$240-$410 *Off Season:* (6/1-9/30) Sgl.-$130-$160 Dbl.-$165-$270	*In Season:* (5/1-10/31) Sgl.-$155-$180 Dbl.-$165-$190 (11/1-11/30 & 4/1-4/30) Sgl.-$95-$140 Dbl.-$105-$150 *Off Season:* (12/1-3/31) Sgl.-$75-$125 Dbl.-$85-$135	*In Season:* (3/16-5/31) Sgl.-$172-$278 Dbl.-$212-$318 (6/1-11/30) Sgl.-$160-$274 Dbl.-$200-$314 (2/15-3/15) Sgl.-$138-$202 Dbl.-$178-$242 *Off Season:* (12/1-2/14) Sgl.-$126-$154 Dbl.-$166-$194	*In Season:* (9/1-5/31) Sgl./Dbl.-$85-$105 *Off Season:* (6/1-8/31) Sgl./Dbl.-$65
MEAL PLANS GROUP MEAL RATES	MAP (Modified American Plan) Breakfast & dinner included in rates	EP, AP or MAP B-$12.06 L-$18.09 D-$34.97	AP (full American Plan) Rates include 3 meals per day	EP, AP or MAP B-$14.20 L-$16.80 D-$29.70
RECREATION FACILITIES	Access to 18-hole golf course; 4 outdoor pools; beach; 22 outdoor tennis courts; health club; sauna	3 18-hole golf courses; 3 outdoor pools; 16 tennis courts (2 indoor); horseback riding; health club; sauna	3 18-hole golf courses; 2 outdoor pools; beach; 18 outdoor tennis courts; horseback riding	18-hole golf course; 3 outdoor pools; 10 Hydro-whirl spas; 10 outdoor tennis courts; health club; sauna
NEAREST AIRPORT	Ft. Lauderdale	Colorado Springs Municipal	Brunswick Airport	McCarran International
DISTANCE/TIME FROM AIRPORT	19 mi./30 min.	12 mi./20 min.	15 mi./20 min.	4 mi./15 min.

	Doral Hotel & Country Club Miami, FL	The Greenbrier White Sulpher Springs, WV	Grenelefe Resort & Conference Center Grenelefe, FL	Halekulani Hotel Honolulu, HI
SLEEPING ROOMS	655	650	985	456
MEETING ROOMS	33	31	30	5
AVERAGE GROUP LODGING RATES	*In Season:* (1/1-3/31) Sgl./Dbl.-$180 (4/1-4/30) Sgl./Dbl.-$130 *Shoulder Season:* (5/1-5/31) Sgl./Dbl.-$110 (10/1-12/31) Sgl./Dbl.-$130 *Off Season:* (6/1-9/30) Sgl.-$66 Dbl.-$70	*In Season:* (4/1-10/31) Sgl.-$226-$310 Dbl.-$256-$340 *Off Season:* (11/1-3/31) Sgl.-$135 Dbl.-$226	*In Season:* (1/1-4/14) Sgl./Dbl.-$95-$135 *Shoulder Season:* (4/15-5/19 & 9/11-12/31) Sgl./Dbl.-$85-$100 *Off Season:* (5/20-9/10) Sgl./Dbl.-$55-$65	*Year-round:* Sgl./Dbl.-$195-$245
MEAL PLANS GROUP MEAL RATES	EP, AP or MAP B-$12.00 L-$12.00 D-$28.00	MAP Breakfast & dinner included in rates	AP or MAP B-$8.00 L-$10.00 D-$24.00	EP (European Plan-no meals) B-$18.70 L-$27.50 D-$42.00
RECREATION FACILITIES	1 9-hole and 5 18-hole golf courses; outdoor pool; 15 outdoor tennis courts; horseback riding; health club; sauna	3 18-hole golf courses; 2 pools (1 indoor, 1 outdoor); 20 tennis courts (15 outdoor, 5 indoor); horseback riding; health club; sauna	3 18-hole golf courses; 4 outdoor pools; 13 outdoor tennis courts; sauna	Access to 2 18-hole golf courses, outdoor pool; beach; access to 10 indoor tennis courts; health club
NEAREST AIRPORT	Miami International	Greenbrier Valley	Orlando International	Honolulu International
DISTANCE/TIME FROM AIRPORT	6 mi./10 min.	12 mi./15 min.	45 mi./50 min.	11 mi./30 min.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

Selected Resort Hotels

	Hershey Lodge & Convention Center Hershey, PA	Hilton Hawaiian Village Honolulu, HI	Innisbrook Resort Tarpon Springs, FL	Kapalua Bay Hotel Maui, HI
SLEEPING ROOMS	456	2,525	1,000	304
MEETING ROOMS	27	34	40	3
AVERAGE GROUP LODGING RATES	*In Season:* (5/25-9/4) Sgl.-$90 Dbl.-$98 *Shoulder Season:* (9/5-10/30) Sgl.-$84 Dbl.-$90 (3/21-5/24) Sgl.-$78 Dbl.-$84 *Off Season:* (10/31-3/20) Sgl.-$66 Dbl.-$72	*Year-round:* Sgl./Dbl.-$130-$230	*In Season:* (1/24-4/27) Sgl./Dbl.-$130-$140 *Shoulder Season:* (4/28-5/25 & 9/15-1/23) Sgl./Dbl.-$90-$100 *Off Season:* (5/26-9/14) Sgl./Dbl.-$60-$70	*In Season:* (1/1-4/30 & 9/16-11/23) Sgl./Dbl.-$215 (5/1-6/30) Sgl./Dbl.-$180 *Off Season:* (7/1-9/15 & 11/24-12/31) Sgl./Dbl.-$165
MEAL PLANS GROUP MEAL RATES	EP, AP or MAP B-$9.50 L-$12.50 D-$24.00	EP, AP or MAP B-$13.50 L-$15.30 D-$30.50	EP, AP or MAP B-$9.00 L-$10.60 D-$35.10	MAP B-$13.00 L-$14.00 D-$50.00
RECREATION FACILITIES	Access to 1 36-hole and 1 18-hole golf course; 2 pools (1 indoor, 1 outdoor); 4 outdoor tennis courts; health club; sauna; access to horseback riding	3 outdoor pools; beach; water sports	1 27-hole and 2 18-hole golf courses; 6 heated outdoor pools; beach nearby; 18 outdoor tennis courts; health club; sauna; access to horseback riding	2 18-hole golf courses; 2 pools; 3 beaches; 10 tennis courts (4 lighted); horseback riding
NEAREST AIRPORT	Harrisburg International	Honolulu International	Tampa International	Kapalau Airport
DISTANCE/TIME FROM AIRPORT	12 mi./15 min.	8 mi./20 min.	20 mi./25 min.	3 mi./10 min.

	Keystone Lodge & Conference Center Keystone, CO	La Costa Hotel & Spa Carlsbad, CA	Loews Ventana Canyon Resort Tucson, AZ	Marriott's Harbor Beach Ft. Lauderdale, FL
SLEEPING ROOMS	1,052	500	400	643
MEETING ROOMS	14	16	27	27
AVERAGE GROUP LODGING RATES	*In Season:* (12/19-4/1) Sgl.-$125 Dbl.-$135 (6/3-10/7) Sgl.-$85 Dbl.-$95 *Off Season:* (4/2-6/2 & 10/8-12/18) Sgl.-$60 Dbl.-$65	*Year-round:* Sgl./Dbl.-$195-$245	*In Season:* (1/15-4/30) Sgl./Dbl.-$170 (9/11-1/14) Sgl./Dbl.-$135 *Shoulder Season:* (5/1-5/31) Sgl./Dbl.-$125 *Off Season:* (6/1-9/10) Sgl./Dbl.-$75	*In Season:* (12/20-4/9) Sgl.-$190 Dbl.-$205 (4/10-6/4) Sgl.-$140 Dbl.-$150 *Shoulder Season:* (6/5-12/19 Sgl.-$105 Dbl.-$115
MEAL PLANS GROUP MEAL RATES	EP B-$9.60 L-$14.40 D-$24.00	EP, AP or MAP B-$12.10 L-$17.00 D-$35.00	EP, AP or MAP B-$15.50 L-$18.75 D-$35.70	EP or MAP B-$10.45 L-$18.75 D-$27.25
RECREATION FACILITIES	18-hole golf course; 11 pools (5 outdoor, 6 indoor); 14 tennis courts (12 outdoor, 2 indoor); horseback riding, health club; sauna	2 18-hole golf courses; 7 outdoor pools; beach nearby; 23 outdoor tennis courts; health club; sauna	36-hole golf course, 2 heated outdoor pools; 10 outdoor tennis courts; health club; sauna; access to horseback riding	Access to 2 18-hole golf courses; outdoor pool; beach; cabana club; 5 outdoor tennis courts; health club; sauna; access to horseback riding
NEAREST AIRPORT	Denver Airport	San Diego	Tucson International	Ft. Lauderdale
DISTANCE/TIME FROM AIRPORT	75 mi./1 hr., 40 min.	30 mi./35 min.	20 mi./25 min.	3 mi./10 min.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

TABLE III-7

Selected Resort Hotels

	Maui Marriott Resort Maui, HI	Olympia Resort & Spa Oconomowoc, WI	Opryland Hotel Nashville, TN	Pheasant Run Resort St. Charles, IL
SLEEPING ROOMS	720	400	1,900	550
MEETING ROOMS	10	20	58	57
AVERAGE GROUP LODGING RATES	*In Season:* (1/1-3/31) Sgl./Dbl.-$180-$210 *Shoulder Season:* (4/1-5/31 & 10/1-12/31) Sgl./Dbl.-$140-$170 *Off Season:* (6/1-9/31) Sgl./Dbl.-$140-$170	*In Season:* (6/1-9/30) Sgl./Dbl.-$78-$88 (5/1-5/31 & 10/1-10-31) Sgl./Dbl.-$68-$78 *Off Season:* (1/1-4/30) Sgl./Dbl.-$58-$68 (11/1-12/31) Sgl./Dbl.-$50	*In Season:* (6/1-10/31) Sgl.-$95-$110 Dbl.-$107-$122 *Shoulder Season:* (3/1-5/31 & 11/1-11/30) Sgl.-$91-$102 Dbl.-$103-$119 *Off Season:* (12/1-2/28) Rates vary	*In Season:* (4/15-11/15) Sgl.-$69-$93 Dbl.-$74-$105 *Off Season:* (11/16-4/14) Sgl.-$54-$78 Dbl.-$59-$83
MEAL PLANS GROUP MEAL RATES	EP, AP or MAP B-$16.00 L-$17.00 D-$43.00	EP, AP or MAP B-$7.25 L-$12.10 D-$21.80	EP B-$11.44 L-$15.60 D-$31.20	EP or AP B-$12.50 L-$18.50 D-$27.30
RECREATION FACILITIES	Access to 2 18-hole golf courses; 2 outdoor pools; beach; water sports; 5 outdoor tennis courts; health club; access to horseback riding	18-hole golf course; 2 pools (1 indoor, 1 outdoor); beach; 11 tennis courts (4 indoor, 7 outdoor); horseback riding; health club; sauna	Access to 2 18-hole golf courses; 2 outdoor pools; 8 outdoor tennis courts	18-hole golf course; 2 pools (1 indoor, 1 outdoor); 13 tennis courts; health club; sauna; access to horseback riding
NEAREST AIRPORT	Kahului Airport	Milwaukee Mitchell field	Nashville Metropolitan	O'Hare Int'l.
DISTANCE/TIME FROM AIRPORT	30 mi./45 min.	37 mi./40 min.	6 mi./15 min.	24 mi./35 min.

	The Pointe at Squaw Peak Phoenix, AZ	Ritz Carlton Naples, FL	Saddlebrook Wesley Chapel, FL	Sea Pines Plantation Hilton Head Island, SC
SLEEPING ROOMS	580	483	700 rooms 500 suites	700 villas 202 rooms
MEETING ROOMS	48	19	35	9
AVERAGE GROUP LODGING RATES	*In Season:* (1/6-5/23) Sgl.-$150 Dbl.-$160 (9/15-1/5) Sgl.-$120 Dbl.-$130 *Off Season:* 5/24-9/14) Sgl.-$56 Dbl.-$66	*In Season:* (1/1-4/30) Sgl./Dbl.-$220 (5/1-6/30) & 10/1-12/31) Sgl./Dbl.-$180 *Off Season:* (7/1-9/30) Sgl./Dbl.-$110	*In Season:* (1/15-4/30) Sgl./Dbl.-$135 1 BR Ste.-$155 2 BR Ste.-$220 *Shoulder Season:* (5/1-5/26 & 9/15-1/14) Sgl./Dbl.-$110 1 BR Ste.-$130 2 BR Ste.-$190 *Off Season:* (5/27-9/14) Sgl./Dbl.-$60 1 BR Ste.-$70 2 BR Ste.-$90	*In Season:* (4/1-10/30) Sgl./Dbl.-$95-$200 *Off Season:* (11/1-3/31) Sgl./Dbl.-$85-$150
MEAL PLANS GROUP MEAL RATES	EP, AP or MAP B-$10.25 L-$12.25 D-$28.50	EP B-$18.00 L-$25.00 D-$50.00	EP B-$8.00 L-$11.00 D-$25.00	EP B-$9.20 L-$11.50 D-$25.80
RECREATION FACILITIES	Access to 18-hole golf course; 5 outdoor pools; 8 outdoor tennis courts; horseback riding; health club; sauna	18-hole golf course; outdoor pool; beach; 6 outdoor tennis courts; health club; sauna	2 18-hole golf courses; 2 outdoor pools; 2 whirlpools; 27 tennis courts; health club; sauna	1 9-hole and 6 18-hole golf courses; 30 outdoor pools; beach; 80 outdoor tennis courts; horseback riding
NEAREST AIRPORT	Phoenix Airport	Southwest Regional Ft. Myers	Tampa International	Hilton Head Airport
DISTANCE/TIME FROM AIRPORT	12 mi./20 min.	24 mi./30 min.	25 mi./30 min.	5 mi./10 min.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

Selected Resort Hotels

	Sheraton Village Steamboat Springs, CO	Stouffer Pineisle Resort Buford, GA	Waiohai Resort Kauai, HI	Westin Kauai Kauai, HI
SLEEPING ROOMS	276	250	434	850
MEETING ROOMS	16	19	10	13
AVERAGE GROUP LODGING RATES	*In Season:* (2/5-4/10) Sgl./Dbl.-$89-$119 (11/20-2/4) Sgl./Dbl.-$65-$95 *Off Season:* (5/27-9/26) Sgl./Dbl.-$55-$69 *Closed:* (4/11-5/26 & 9/27-11/19)	*In Season:* (2/22-11/21) Sgl.-$176 Dbl.-$227 *Off Season:* (11/22-2/21 Sgl.-$116 Dbl.-$162	*Year-round:* Sgl./Dbl.-$125-$240	*In Season:* (1/1-4/30) Sgl./Dbl.-$205-$245 (5/1-12/31) Sgl./Dbl.-$155-$185
MEAL PLANS GROUP MEAL RATES	EP or MAP B-$8.50 L-$11.75 D-$22.00	MAP B-$9.60 L-$15.00 D-$31.20	EP, AP or MAP B-$16.45 L-$21.00 D-$38.55	EP, AP or MAP B-$9.50 L-$11.50 D-$23.50
RECREATION FACILITIES	18-hole golf course; outdoor pool; health club; sauna; access to tennis and horseback riding	18-hole golf course; indoor/outdoor pool; 7 tennis courts (3 indoor, 4 outdoor); horseback riding; sauna	Access to 18-hole golf course; 3 outdoor pools; beach; 6 outdoor tennis courts (4 lighted); health club; sauna; access to horseback riding	2 18-hole golf courses; 2 outdoor pools; 8 lighted tennis courts; health club; sauna
NEAREST AIRPORT	Steamboat Springs	Hartsfield International	Lihue Airport	Lihue Airport
DISTANCE/TIME FROM AIRPORT	6 mi./10 min.	45 mi./1 hr.	14 mi./25 min.	1½ mi./5 min.

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TABLE III-7

Selected Resort Hotels

	Williamsburg Inn & Country Club Williamsburg, VA	Woodcliff Lake Hilton Woodcliff Lake, NJ
SLEEPING ROOMS	1,050	350
MEETING ROOMS	40	23
AVERAGE GROUP LODGING RATES	*In Season:* (4/1-10/30) Sgl./Dbl.-$77-$156 *Off Season:* (11/1-12/31) Sgl./Dbl.-$60-$156 (1/1-3/5) Sgl.-$40-$92 Dbl.-$49-$92 (3/6-3/31) Sgl./Dbl.-$55-$125	*Year-round:* Sgl.-$95 Dbl.-$114
MEAL PLANS **GROUP MEAL RATES**	EP, AP or MAP B-$7.75 L-$12.60 D-$32.25	EP B-$16.50 L-$19.00 D-$32.00
RECREATION FACILITIES	18-hole and 9-hole golf course; 4 pools (3 outdoor, 1 indoor); 8 outdoor tennis courts; health club; sauna	Access to golf courses, 2 pools (1 indoor, 1 outdoor); 2 outdoor tennis courts; health club; sauna
NEAREST AIRPORT	Norfolk Int'l.	Newark International
DISTANCE/TIME FROM AIRPORT	45 mi./50 min.	22 mi./35 min.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

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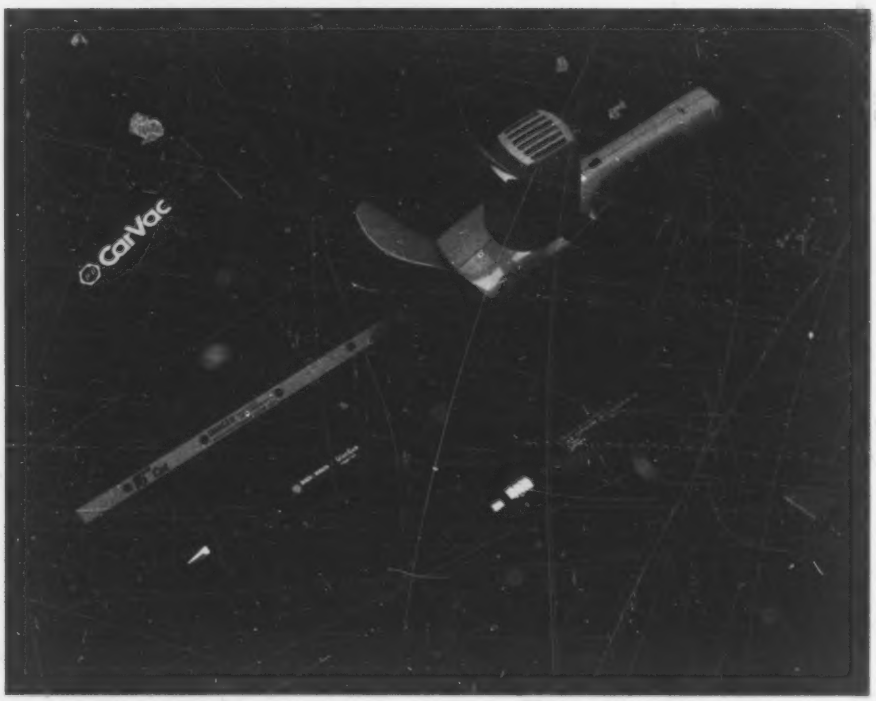

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TABLE III-8

Selected Budget Motel Chains

CHAIN (RESERVATIONS)	NO. OF LOCATIONS	TOTAL NO. OF ROOMS	INNS UNDER CONSTRUCTION	INNS PLANNED	RATES	FACILITIES & SERVICES
DAYS INNS OF AMERICA (1-800-325-2525)	569	82,000	20	75	Sgl.-$25-$90 Dbl.-$30-$110	Color TV; pool; restaurant; nearby gas/service; meeting rooms; cocktail lounge
ECONO LODGES OF AMERICA (1-800-446-6900)	407	32,000	N.A.	100	Sgl.-$30-$35 Dbl.-$35-$40	Color TV; meeting rooms; non-smoking rooms; rooms for handicapped; restaurant adjacent or nearby
RED ROOF INNS (1-800-848-7878)	179	19,712	7	24	Sgl.-$23.95-$39.95 Dbl.-$30.95-$46.95	Color TV; free in-room movies; conference rooms; sports; free daily newspaper; morning coffee; non-smoking rooms; rooms for handicapped
BUDGETEL (1-800-428-3438)	52	5,652	7	8	Sgl.-$27.95 Dbl.-$32.95	Color TV with satellite stations; meeting rooms; non-smoking rooms; rooms for handicapped
BEST WESTERN (1-800-528-1234) For the hearing impaired: (1-800-528-2222)	1,893	172,519	N.A.	N.A.	Sgl.-$52.16 Dbl.-N.A.	Color TV with satellite stations; pool; access to family restaurant; senior citizen discounts; free travel guide
LA QUINTA MOTOR INNS (1-800-531-5900)	190	24,119	N.A.	4	Sgl.-$30 Dbl.-$50-$55	Color TV with satellite stations; pool; laundry service; non-smoking rooms; rooms for handicapped; free morning coffee
MOTEL 6 (505-891-6161)	426	48,170	6	30-40	Sgl.-$14.95-$28.95 Dbl.-$19.95-$33.95	Color TV; pool; access to family restaurant; in-room movies; free local phone calls; kids 18 and under stay free in same room
SUSSE CHALET MOTOR LODGE & INNS (1-800-258-1980) In New Hampshire: (1-800-572-1800) In Canada: (1-800-858-5008)	33	3,300	4	10	Sgl.-$31.71-$36.70 Dbl.-$35.70-$40.70	Color TV with satellite stations; pool; valet; laundry; baby sitting; auto emergency service; secretarial service

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

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SECTION IV

SALES SUPPORT & INCENTIVES

INCENTIVE TRAVEL SURVEY

What's the biggest problem facing travel managers? Getting the boss to believe in the numbers.

Incentive travel continues to draw rave reviews from marketers, who report sales gains averaging 20.8% when they undertake a travel campaign. According to *Incentive Marketing* magazine's most recent survey of more than 700 incentive travel executives, even though trip costs rose this year at a double-digit clip, costs of programs as a percentage of resulting sales gains have actually dropped. Most intriguing in the current survey of incentive travel users, though, are the problems marketers face when using travel awards to motivate their salespeople, distributors, and employees.

Although survey respondents seem convinced about the value of incentive travel, top management presents a problem. A midwestern chemical executive notes that he has trouble "convincing executives that travel means a lot more to salespeople on the firing line than executives think it does."

A California distributor running fairly big trips for salespeople and retailers has to sell quality—"convincing the president and executive vice president of the value of a top-quality incentive trip as opposed to a cheap program."

A western heating and air-conditioning supplier with a substantial travel budget says, "We're still in the dark ages of sales motivation because our general manager looks upon incentives not as an inducement to buy, but more of a 'thank you' for your purchases. Proper rules-structuring would do a lot to enhance sales performance."

Scott Trentadue, vice president of the Goetz Broadcasting Corporation in Fort Atkinson, WI, adds that "the biggest problem is convincing the chief executive officer that there will be a sales increase that will lead to a larger bottom line."

Many who conduct incentive travel programs end up with some nagging questions: What is truly incremental business? What would happen without the promotion? What factors outside the program influenced the results?

And, perhaps, the longer the promotion, the more room there is for doubt. Jim Agnew, second vice president of the American Mutual Life Insurance Co., Des Moines, IA, asks: "What impact did the incentive program have on increased sales—or what would sales have been without the program—keeping in mind that we have a two-year qualifying period for our major meeting?"

Another variable is suggested by a New England floor covering wholesaler: "Because we are consistently offering special promotions with primary emphasis on price, we have never been able to pinpoint the exact influence the trip has on our dealers." For this reason, he does not try to attribute sales increments to the incentive program specifically. "We look at total sales," he says. Other companies take a similar approach.

EXPANSION SLOWS

Despite these problems, marketers report impressive results when asked how much sales gained during the travel incentive campaign against sales in the same period the year before. This year's reported sales gain of 20.8% was up three percentage points from 1986.

And, though the cost of trips rose by a staggering 19%—to a new high of $1,638 per person—the improved sales results brought the cost per incremental sales gain down to 10.7% from 11.5% last year.

Increased costs concern a number

TABLE IV-1

Expected Increases in 1988 Trade Show Exhibition Costs

COMPONENT	PROJECTED AVERAGE INCREASE
SPACE RENTAL RATES	5.1%
PERSONNEL	
PROJECTIONIST	2.9%
JANITOR	2.5%
PLUMBER	2.1%
ELECTRICIAN (HOURLY)	3.8%
INSTALLATION & DISMANTLING	4.0%
EQUIPMENT	
AUDIOVISUAL	3.6%
FURNITURE	4.2%
SERVICES	
PHOTOGRAPHER	1.9%
FLORIST	3.0%
SECURITY GUARD	3.7%
TRANSPORTATION	
COMMON CARRIER/MOTOR FREIGHT	6.5%
VAN SHIPMENT (UNCRATED)	9.3%
DRAYAGE (WAREHOUSE TO BOOTH)	6.8%
DRAYAGE (DOCK TO BOOTH)	8.1%
OTHER	
NEW CONSTRUCTION	7.8%
EXHIBIT PREP AND REFURBISHING	7.4%
PRESENTERS/MODELS/LIVE TALENT	7.5%

SOURCE: International Exhibitors Association.

TABLE IV-2

Typical Trade Show Exhibit Costs

COMPONENT	1987 AVERAGE COST
SPACE RENTAL RATES/SQ. FT.	$12.43
EXHIBIT CONSTRUCTION:	
BACKWALL/LINEAR FT.	$63.00
ISLAND/SQ. FT.	$37.00
FREIGHT/CWT.	$22.31
DRAYAGE/HR.	$30.85
PERSONNEL:	
PROJECTIONIST/HR.	$22.33
JANITOR/SQ. FT.	$.11
PLUMBER/HR.	$33.52
ELECTRICIAN/HR.	$30.42
CARPENTER/HR.	$34.01
FURNITURE RENTAL:	
UPHOLSTERED LOUNGE CHAIR	$28.65
FIBERGLASS SIDE CHAIR	$17.23
DRAPED DISPLAY TABLE (2X6 FT.)	$44.78
OAK OR HARDWOOD DESK	$101.78
CARPETING/SQ. YD.	$12.05

SOURCES: Exhibit Surveys, Inc./*Tradeshow Week*, Los Angeles, CA (copyright 1987).

TABLE IV-3

Audiovisual Equipment Purchase and Rental Costs

EQUIPMENT	PURCHASE PRICE 1987	DAILY RENTAL 1987	WEEKLY RENTAL 1987
Projectors:			
Super 8mm sound movie	N.A.	$25	$83
16mm sound movie	$900-1,500	28	93
35mm slide projector	N.A.	23	77
35mm slide w/synch. tape deck	450-1,000	35	117
Rear-screen 35mm filmstrip w/ self-contained synch. tape	400-820	37	123
Opaque projector	659-798	33	110
Overhead transparency	200-771	25	83
Remote-control silent filmstrip	250-290	27	90
Tape Recorders:			
Cassette	$47-550	$29	$97
Reel-to-reel	500-1,295	38	127
Video Equipment:			
½-inch color cassette recorder/ player	$495-2,475	$58	$193
¾-inch color cassette recorder/ player	1,759-3,350	85	283
Color player (¾-inch)	N.A.	75	250
Color camera	900-8,350	N.A.	N.A.
Color monitors	300-1,395	N.A.	N.A.
Large-screen receiver	N.A.	103	343

NOTES: Purchase prices are manufacturers' suggested retail prices without optional extras. N.A.—prices for these items not available.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

of this year's respondents. While all the numbers add up to successful promotion, there is evidence that escalating price tags may be causing some marketers to cut back on travel usage. With better results than last year's and in an economic climate not significantly better or worse, the rate of expansion in incentive travel spending seems to be slowing. In 1986, spending rose 6.5% over that of 1985. Although final figures are not yet available, early results point to an increase of only about 4.1% this year.

Steven Kendall, marketing manager of the Dukane Corporation, St. Charles, IL, says, "Travel costs are usually so high that small accounts are effectively left out, because their incremental sales can't justify a travel award."

And C.H. Hutchinson, president of LRP Electronics in Lima, OH, notes that "increasing costs over last year has us looking at merchandise promotions, thus cutting down on trips." From a budget that was top heavy with travel in 1986, he has shifted the emphasis strongly toward merchandise in this year's programming, but he is still conducting one domestic trip for about 100 people over three nights.

One wholesaler notes the problem of "receiving accurate information concerning cost when planning a year and a half in advance."

THE SERVICE FACTOR

Not only is the average cost per person way up—more than $250 over 1986—but the median rose as well. After years of holding steady at $1,200, the figure leaped to $1,400. Overall budgets did not rise by a corresponding rate because fewer people qualified for awards, with a 34% qualification rate reported this year against 36% in 1986. The average number of travelers per company in this study is 142, down from 157 a year ago.

Respondents also cite problems with incentive travel suppliers. It appears that a full-service company offering promotion and trip fulfillment would be the best answer for many companies, but some disagree. "Most incentive travel companies don't really understand the needs of companies using their services," says Ronald Braswell, director of sales administration for the Reynolds & Reynolds Company, Dayton, OH. "Instead, they want to shove their own ideas and standards on you."

A New England machinery firm with a six-figure budget says that full-service companies "are too expensive for our limited programs. Those who

will service our needs do not provide adequate promotion tools."

An executive of a major office-equipment company has problems with "the ability of hotels to adjust to changing conditions and/or their ability to handle pre-conference logistics and registration. Additionally, conference and hotel sites often fail to anticipate peak workloads—arrival and departure periods for large groups."

Despite planning with a local travel agent, Paul N. Gale, executive vice president of Western Water Management, Inc., North Kansas City, MO, is plagued by problems with "follow-through on arranged plans—events, meals, tours, car rentals, etc.—specifically arranged in advance, not available on arrival even though fully confirmed."

INCREASING VOLUME

Survey respondents provide these planning insights:

Who is the target? Company-employed salespeople are the most numerous of incentive travelers, targeted by 75% of survey respondents. Following are: retail dealers, named by 36%; distributors, 25%; dealer sales personnel, 22%; independent sales reps, 17%; and non-sales personnel, distributor salespeople, and direct-selling people, each indicated by 15%. The total exceeds 100% because the users direct their travel campaigns at an average of more than two categories each.

In dollars, 51% of total expenditures involve company salespeople and employees, with the remainder spent on dealers and distributors.

What is the purpose? Of 10 objectives listed in the survey, "increase overall volume" is the one most frequently indicated. This year, 71% of travel users picked increased volume as their prime objective, against 81% a year ago.

Improving morale or goodwill runs second with 47%. Another 37% want to sell new accounts. Other objectives include: stimulating product introductions, 26%; helping to move a full line or slow items, 24%; offsetting competition, 22%; bolstering a slow season, 18%; preparing for a strong season, 13%; building dealer traffic, 10%; and supporting consumer promotion, 10%.

Planning, rules, and budgets. Setting objectives and rules is difficult, and that is reflected in extensive planning time. In this year's survey, planning begins an average of 44 weeks before the trip departure, five weeks longer than last year. The qualifying period has grown to 31 weeks from 28 weeks last year.

TABLE IV-4

Estimated Advertising Percentages in Selected Industries

INDUSTRY	ADVERTISING & PROMOTION BUDGET AS A % OF NET SALES (ESTIMATES) 1988	1987	(ACTUALS) 1986
Food Products			
Food & kindred products	5.8%	5.8%	5.9%
Meat products	1.9	1.8	1.8
Dairy products	6.4	6.1	5.7
Canned foods	6.6	6.4	6.1
Flour & other grain products	1.1	1.2	1.3
Bakery products	2.2	2.1	2.1
Malt beverages	9.4	9.2	8.9
Tobacco Products			
Cigarettes	6.4	6.7	7.2
Cigars	1.9	2.0	2.0
Textile Mill Products			
Textile products	2.3	2.3	2.2
Floor-covering mills	0.8	0.9	0.9
Apparel			
Apparel & finished products	2.2	2.2	2.3
Furniture & Fixtures			
Household furniture	2.8	2.7	2.7
Office furniture	1.4	1.4	1.4
Paper Products			
Paper & allied products	1.5	1.5	1.5
Printing & Publishing			
Publishing	14.7	8.4	5.0
Newspapers	4.1	3.4	2.9
Periodicals	3.7	3.8	3.9
Books	4.1	4.1	4.1
Chemicals & Allied Products			
Chemicals	2.5	2.2	2.1
Industrial inorganic chemicals	19.5	19.0	18.4
Plastic materials & synth. resins	0.9	0.9	0.9
Ethical drugs	9.2	9.2	9.3
Soap & other detergents	8.4	8.3	8.1
Paints, varnishes & lacquers	2.5	2.6	2.7
Petroleum & Coal Products			
Petroleum refining	0.3	0.3	0.3
Paving & roofing materials	1.0	1.0	1.0
Rubber & Misc. Plastic Products			
Rubber products	2.3	2.2	2.0
Misc. plastic products	1.7	1.6	1.5
Footwear (except rubber)	4.2	4.2	4.2
Stone, Clay & Glass Products			
Glass containers	1.5	1.5	1.5
Pottery & china	1.0	1.0	1.0
Foundries			
Blast furnaces	2.5	2.4	2.1
Fabricated Metals			
Heating equip. & plumbing fixtures	2.6	2.6	2.4
Machinery & Equipment			
Farm & garden machinery & equip.	1.6	1.6	1.5
Metalworking equip.	4.6	4.3	4.1
Office computing & accounting mach.	1.2	1.2	1.2
Refrigeration equip.	2.2	2.1	1.9
Electric & Electronic Equipment			
Household appliances	4.6	4.4	4.1
Radios & TV sets	2.2	2.3	2.3
Transportation Equipment			
Motor vehicles & car bodies	1.6	1.6	1.6
Travel trailers & campers	0.8	0.8	0.8
Instruments & Related Products			
Optical instruments & lenses	2.1	2.0	1.9
Photographic equip.	3.3	3.4	3.4
Watches & clocks	1.9	2.0	2.2

TABLE IV-4

Estimated Advertising Percentages in Selected Industries (continued)

INDUSTRY	ADVERTISING & PROMOTION BUDGET AS A % OF NET SALES (ESTIMATES) 1988	(ESTIMATES) 1987	(ACTUALS) 1986
Misc. Manufacturing Industries			
Jewelry & precious metals	3.3	3.2	3.1
Musical instruments	4.0	4.0	4.1
Toys, games & sporting goods	14.4	13.5	12.5
Pens & other writing instruments	5.4	5.4	5.3
Communications			
Radio-TV broadcasters	3.8	3.8	3.8
Wholesaling			
Autos & auto parts	4.1	4.2	4.4
Sporting & recreational goods	12.3	11.1	10.5
Drugs	0.6	0.7	0.7
Food	0.6	0.6	0.7
Retailing			
Lumber	3.0	2.9	2.8
Department stores	3.1	3.1	3.1
Variety stores	2.3	2.3	2.3
Grocery-store chains	1.6	1.5	1.5
Automotive dealers & gas suppliers	3.5	3.3	3.2
Apparel	2.5	2.5	2.4
Women's ready-to-wear	1.4	1.4	1.5
Shoes	1.7	1.8	1.8
Furniture	6.4	6.1	5.8
Restaurants & fast-food chains	3.9	3.9	3.8
Mail-order houses	14.2	14.3	14.5
Misc. Service Industries			
Hotels & motels	3.6	3.6	3.5
Personal services	6.8	6.7	6.6
Motion picture production	7.8	8.5	9.5
Educational services	4.9	4.8	4.7

NOTES: This table is based on *Ad $ Forecasts*, the 11th annual study of advertising and promotional expenditures of major U.S. corporations published by Pansophic Systems, Inc. The study contains 1986 historical data and current-year forecasts of advertising budgets for more than 4,000 publicly owned companies in 280 different industries. Figures are compiled from 10-K reports filed with the Securities and Exchange Commission. Cautious interpretation is advised, however, since companies may vary on their interpretation of what constitutes advertising and/or promotional expenditures. Also, large companies operating in several different fields may be listed only in their primary industry sector, and figures for privately owned companies do not appear. Copies of *Ad $ Forecasts* are available at a cost of $325 from Pansophic Systems, Inc., 709 Enterprise Dr., Oak Brook, IL 60521.

SOURCE: Pansophic Systems, Inc. This report cannot be reproduced or distributed without the expressed written consent of Pansophic Systems, Inc. © 1987 by Pansophic Systems, Inc.

The ideal rule structure is open-ended, permitting all who reach stated goals to earn the trip. That is according to 76% of users in this survey, up from 63% last year. In addition, 61% of the executives base qualifying levels on sales forecasts, while some 30% determine how much the trip will cost and set their quotas accordingly. Other methods are used by 9% of the respondents, presumably a combination of the two.

The budget must be reasonably firm: 62% set a special budget for the campaign in advance, while only 16% await the campaign's outcome before determining the budget. Another 14% use regularly allocated promotion funds, and 9% earmark a percentage of anticipated added sales.

Some respondents have an additional variable to consider in the budgeting process—buy-ins—with 30% letting participants pay cash for the portion of the trip cost that they do not earn. Among those who provide the option, an average of 26% of participants elect to buy in.

Who makes decisions? The climax of the planning process is the final decision, and that remains a top-management prerogative. Chief executive officers, presidents, vice presidents, and general managers make the final decision in 69% of the companies surveyed, five points higher than in last year's survey. Sales or marketing directors were named by 23% of respondents, followed by product or merchandising managers (4%), meeting planners (3%), and advertising or promotion directors (2%).

As for actual trip planning, 42% of respondents use a local travel agent; 23% rely on in-house personnel; 22% use a full-service incentive company; and the remaining 13% work directly with airlines, hotels, and ground operators.

Evaluation. How do executives measure sales results? Total units/dollars sold represents the leading criterion, chosen by 58%. A fairly strong second is the percentage of eligible people reaching goal or quota, favored by 41%. Running further behind are three other measurements: increase in market share (18%), profit on incremental sales (17%), and branch or district performance (15%).

WHAT THE FUTURE HOLDS

Following are some trends in incentive travel usage:

In 1986, travel users spent an estimated $1.67 billion. The sales incentive portion—51%—grew at a 7.5% rate over the prior year, while dealer campaigns grew only 5.6%. Preliminary estimates for 1987 show incentive travel for salespeople running ahead by 4.4% and for dealers, up 3.8%.

Group trips are favored by 62%, with the remainder giving individual travel awards. Whether in groups or individually, the travelers usually come in pairs, with spouses included in the plans of 92% of respondents. The average trip lasts over five nights, the same as in last year's survey.

Business meetings are included by 62% of the executives who take groups—an increase from 53% who planned meetings last year. The average meeting time on a trip rose to 10 hours, from 8.7 hours among the previous survey group.

Companies that favor foreign destinations run a median of one campaign a year, while firms that prefer domestic sites have a median of two each year. About 50% of the respondents said they use foreign trips and 86% indicated domestic sites, suggesting that about 36% use both. In dollars, however, expenditures for domestic programs represent about 72% of the total. This is because of the greater number of domestic movements involving larger numbers of people.

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TABLE IV-5

Selected Incentive Travel Destinations

	ACAPULCO MEXICO	AMSTERDAM HOLLAND	ATLANTIC CITY NEW JERSEY	BANFF CANADA
AIRFARES				
Low Season	$397	$459	$188	$317
High Season	$397	$749	$188	$317
LODGING				
Low Season	$45	$200	$90	$75
High Season	$60	$275	$125	$90
MEALS				
MAP (Modified American Plan)	$25	$30	$30	$45
GROUP ACTIVITY	$30 Mexican theme party	$35 Theme party	$40 Dinner & show	$20 Wine & cheese party

	CANCUN MEXICO	CANNES FRANCE	CHARLESTON SOUTH CAROLINA	DUBLIN IRELAND
AIRFARES				
Low Season	$295	$655	$198	$555
High Season	$345	$911	$198	$729
LODGING				
Low Season	$190	$120	$65	$138
High Season	$125	$160	$85	$177
MEALS				
MAP (Modified American Plan)	$30	$40	$25	$35
GROUP ACTIVITY	$40 Mexican fiesta	$50 Gay Paree party	$27 Oyster roast	$40 Theme party

	HONG KONG ISLAND HONG KONG	HONOLULU HAWAII	KAUAI HAWAII	LAS VEGAS NEVADA
AIRFARES				
Low Season	$1,099	$564	$638	$238
High Season	$1,197	$599	$728	$314
LODGING				
Low Season	$105	$99	$120	$65
High Season	$160	$160	$145	$95
MEALS				
MAP (Modified American Plan)	$40	$35	$40	$25
GROUP ACTIVITY	$50 Theme party	$45 Hawaiian luau	$60 Luau	$35 Cocktail & show

	LISBON PORTUGAL	LONDON ENGLAND	MAUI HAWAII	MIAMI FLORIDA
AIRFARES				
Low Season	$598	$448	$638	$238-$299
High Season	$762	$698	$708	$238-$299
LODGING				
Low Season	$95	$230	$175	$49
High Season	$125	$290	$250	$90
MEALS				
MAP (Modified American Plan)	$25	$35	$35	$30
GROUP ACTIVITY	$35 Theme party	$45 Dinner package	$50 Hawaiian Luau	$30 Dinner package

TABLE IV-5

Selected Incentive Travel Destinations

	MONTE CARLO MONACO	MONTREAL CANADA	NASSAU BAHAMAS	ORLANDO FLORIDA
AIRFARES				
Low Season	$655	$155	$198	$193-$278
High Season	$911	$170	$409	$193-$278
LODGING				
Low Season	$108	$110	$110	$120
High Season	$175	$135	$170	$140
MEALS				
MAP (Modified American Plan)	$40	$30	$25	$25
GROUP ACTIVITY	$45 Dinner package	$32 Theme party	$35 Poolside barbecue	$35 Dinner package

	PUERTO VALLARTA MEXICO	ROME ITALY	SAN ANTONIO TEXAS	SAN DIEGO CALIFORNIA
AIRFARES				
Low Season	$295	$598	$208	$278
High Season	$345	$836	$208	$278
LODGING				
Low Season	$55	$200	$85	$125
High Season	$90	$265	$100	$145
MEALS				
MAP (Modified American Plan)	$25	$45	$25	$38
GROUP ACTIVITY	$30 Mexican fiesta	$60 Toga party	$30 Barbecue	$50 Dinner party at Sea World

	SAN FRANCISCO CALIFORNIA	SINGAPORE	TAMPA-ST. PETERSBURG FLORIDA	TOKYO JAPAN
AIRFARES				
Low Season	$298	$1,150	$238-$279	$1,071
High Season	$298	$1,150	$238-$279	$1,147
LODGING				
Low Season	$120	$45	$90	$125
High Season	$175	$45	$190	$180
MEALS				
MAP (Modified American Plan)	$42	$30	$30	$40
GROUP ACTIVITY	$55 Dinner package	$22 Twilight dinner cruise	$40 Theme party	$45 Japanese theme party

	VAIL COLORADO	WILLIAMSBURG VIRGINIA
AIRFARES		
Low Season	$340	$158
High Season	$340	$158
LODGING		
Low Season	$72	$75
High Season	$95	$95
MEALS		
MAP (Modified American Plan)	$30	$22
GROUP ACTIVITY	$50 Winter Wonderland theme party	$35 Colonial Virginia theme party

NOTES: All rates shown are approximate per person prices based on a group package tour of 40 people for a minimum stay of five days and four nights. **Airfares** originate from Chicago and are discounted APEX excursion rates commonly obtainable when departing on a Thursday and returning no earlier than Sunday. Note that air fares to the Orient, South America, and Europe generally call for a minimum stay of seven days. **Lodging** rates are per person, per night based on double occupancy. Hotel rates may vary, however, depending on accommodations. **Meals** are baed on the typical add-on cost of a Modified American Plan (MAP), which includes breakfast and dinner daily. At those hotels not offering MAP, prices are based on approximate group meal rates for breakfast and dinner. **Group Activity** rates are also approximate and can vary depending on the type of function offered. Generally, a theme activity includes a meal and drink indigenous to the particular destination in question. Taxes and gratuities are not included in lodging and meal rates, and should range between 20% and 25% depending on the location.
SOURCE: McCord Travel Services.

SECTION V

TRANSPORTATION

PERSONAL-USE CHARGEBACKS: NEW TAX LAWS CAUSE POLICY CHANGES

A look at the pros and cons of three standard programs—and a new alternative that offers the best of both worlds.

Personal use chargeback programs—where employees pay for any personal use of a company-owned vehicle—have lately undergone extensive reevaluation, due primarily to new regulations outlined in the government's Tax Reform Act of 1986.

Companies can expect the Internal Revenue Service to investigate more carefully than ever the availability and accuracy of records for all business miles. Consequently, the IRS will also weigh, with more sensitive balances, the accuracy of chargebacks.

A recent survey of the nation's fleet executives found that 63% have reexamined their chargeback policies in response to the new tax laws, while 57% said they have established stricter expense and mileage reporting procedures for their employees.

Historically, chargeback policies have conformed to one of the following three approaches: the Cents-Per-Mile Method, the Fixed Dollars-Per-Month Method, or the Combination Per-Mile/Per-Month Method. Under the new laws, however, a fourth method has been developed, which involves Fuel- and Oil-per-mile Reimbursement plus a Fixed Monthly Chargeback, or the FOR/FMC Method. Under this method, firms reimburse drivers for their fuel and oil costs based on each business mile reported and charge back a portion of other auto costs as a fixed monthly sum. Looking at these policies individually, we'll examine the pros and cons of each, allowing an assessment of their relative merit.

CENTS-PER-MILE

Here, drivers report personal miles driven and the company assesses them a predetermined cents-per-mile rate. This charge is considered repayment to the company for all operating and some ownership costs, the advan-

TABLE V-1

Projection of Fixed and Operating Costs for a 1988 Midsize Car in Selected Cities

LOCATION	OPERATING COSTS	FIXED COSTS	TOTAL ANNUAL COSTS
Albuquerque	$1,133	$2,571	$3,704
Chicago	1,185	2,879	4,064
Eau Claire, WI	1,088	2,484	3,572
Houston	1,088	3,022	4,110
Knoxville, TN	1,043	2,607	3,650
Los Angeles	1,125	3,845	4,970
Milwaukee	1,080	2,509	3,589
Orlando, FL	1,073	2,639	3,712
Philadelphia	1,065	3,949	5,014
Washington, DC	1,193	2,916	4,109

NOTES: Figures are based on expenses for a 1988 model midsize, 4-door sedan equipped with automatic transmission, power steering, power disc brakes, tinted glass, AM-FM stereo, cruise control, and air conditioning, with an assumed retention cycle of 4 years/60,000 mi. Operating Costs include fuel, oil, tires, and maintenance. Fixed Costs include insurance, depreciation, financing, taxes, and license fees.

SOURCE: Runzheimer International, Rochester, WI.

TABLE V-2

Projection of Fixed and Operating Costs for Selected 1988 Model Autos

MODEL	ANNUAL COSTS FOR 20,000 MILES: OPERATING	FIXED	TOTAL
Cadillac Deville (8-cyl.)	$1,710	$6,328	$8,038
Chevrolet Caprice (8-cyl.)	1,790	4,517	6,307
Oldsmobile Cutlass Ciera (6-cyl.)	1,600	4,610	6,210
Chevrolet Celebrity (6-cyl.)	1,480	4,325	5,805
Ford Taurus L (6-cyl.)	1,530	4,222	5,752
Ford Tempo GL (4-cyl.)	1,370	4,126	5,496
Plymouth Reliant K (4-cyl.)	1,320	4,168	5,488
Dodge Caravan (4-cyl.)	1,460	3,739	5,199
Chevrolet Cavalier (4-cyl.)	1,260	3,887	5,147
Ford Escort GL (4-cyl.)	1,200	3,757	4,957

NOTES: All costs are based on a 36-month/60,000-mile retention cycle. Models listed are 4-door sedans equipped with automatic transmission, power steering, power disc brakes, air conditioning, tinted glass, AM-FM stereo, body side-molding, cruise control, and left-hand remote control mirror. Operating Costs include fuel, oil, tires, and maintenance, while Fixed Costs include insurance, depreciation, financing, taxes, and licenses.

SOURCE: Runzheimer International, Rochester, WI.

TABLE V-3

Automobile Fleet Purchase Costs

	FLEET PURCHASE PRICE — 6-CYL.		4-CYL.	
MODEL	1988	1987	1988	1987
CHEVROLET CELEBRITY (4-DOOR SEDAN)	$9,378	$8,419	$8,859	$7,900
FORD LTD CROWN VICTORIA (4-DOOR SEDAN)	$12,311*	$11,046*	N.A.	N.A.
OLDSMOBILE CUTLASS CIERA (4-DOOR SEDAN)	$9,960	$9,833	$9,441	$9,314
FORD TEMPO GL (4-DOOR SEDAN)	N.A.	N.A.	$7,338	$6,792
CHEVROLET CAVALIER (2-DOOR COUPE)	$7,257	$6,900	$6,696	$6,339
PLYMOUTH RELIANT (2-DOOR SEDAN)	N.A.	N.A.	$6,965	$6,541

NOTES: *—Prices shown here are for an 8-cylinder standard, since this model does not offer 4- or 6-cylinder options. All prices quoted include only manufacturers' standard options. Freight, tax, and destination charges are not included. Prices may vary according to specific deals worked out by individual buyers and sellers.

SOURCE: Automobile Invoice Service, *New Car Cost Guide.*

tage being that employees repay the company for the actual number of personal miles reported.

Although the intent of this method is to recover all non-business operating costs, it actually recoups only a small percentage of ownership expenses. Drivers normally underpay because, in reality, each personal mile may carry a value that exceeds the fixed cents-per-mile charge. In addition, this method assumes the same operating expense in all driving territories and thus fails to account for cost differences between geographic areas. Also, this approach does not effectively deal with the driver's temptation to report fewer personal miles than are actually traveled.

The most common justification that companies use in taking this approach is the false premise that the driver need not share in license, tax, insurance, and most other depreciation expenditures. However, these cost components carry real and identifiable dollar values for each driver and should be shouldered by the employee in direct proportion to personal use.

Because of these drawbacks, a firm that follows this method of reimbursement will usually receive much less payment than is reasonable or equitable. As a result, the company's business car costs will remain unnecessarily high, while an untaxed fringe benefit accrues to the employee. This could eventually place both parties in an untenable situation, not only from a fairness standpoint but also because an audit of the company's fleet car program could result in retroactive taxes and/or penalties.

DOLLARS-PER-MONTH

A company using this program asks its employees to pay a chargeback of a predetermined monthly rate. The assumption is that the monthly amount covers all ownership expenses and some or all operating costs attributable to personal use. Unfortunately, this assumption is not likely to stand up under closer examination.

Although this type of system is easy to administer, the fixed dollars-per-month approach normally allows companies to recover some portion of ownership expenses, but few companies, if any, try to recover operating costs such as gas, oil, tires, and maintenance. In addition, significant untaxed fringe benefits once again accrue to the driver, particularly when the monthly payment is set too low.

THE COMBINATION METHOD

Under this type of program, drivers of employer-provided autos who either charge all expenses to the company or receive full reimbursements for itemized expenses typically report personal miles and the company assesses a

per-mile rate for operating costs. In addition, the company assesses drivers a monthly charge to cover ownership costs. This second facet of the combination method is a chargeback that is usually calculated on the basis of time.

Here, the chargeback is correctly divided into two parts. It enables a company to charge equitably for the driver's share of all operating and ownership costs. Through this more complete coverage, firms can also justifiably reduce their fleet budget to accurately reflect business-related costs and avoid providing any unintended income to employee drivers.

To be fair to both parties involved, costs must be carefully researched and implemented so that monthly and per-mile chargeback levels are neither too high nor too low. Overall, however, this method tends to be more accurate than the two preceeding methods, and of the three, this is the most highly recommended.

THE FOR/FMC METHOD

As stated previously, the current tax law lends itself to a fourth method, which offers the advantages of more detailed record keeping and more precise chargebacks. To conform to the legal requirements of keeping adequate records for all business miles, companies should seriously consider using this method.

On the one hand, drivers of employer-provided vehicles are reimbursed for their gas and oil expenditures on a per-business-mile basis. This method leads a company to reimburse according to the number of business miles traveled, and drivers are consequently motivated to turn in their records in a timely fashion to collect their reimbursement fees.

Secondly, the personal use chargeback is based on the personal-use portion of the fair market value (FMV) of the company-provided vehicle. According to the IRS, the value of an employer-provided auto is considered as compensation to an employee to the extent to which the employee uses the vehicle for personal purposes. The current tax laws require that there be records detailed enough to ensure that the value of all personal use ("fringe benefit value") is either reimbursed to the company via a personal use charge or included in taxable income.

Regulations specify that the starting point for calculating this fringe benefit value must be the fair market value of the use of the automobile. Here, the value of the auto to the employee equals the total FMV of the use of the vehicle minus any amount paid by the employee for this benefit or excluded from the employee's gross income. Regulations offer three alternatives for calculating this fringe benefit value: 1) the Annual Lease Value Method, in which a ratio of business-to-total-miles is measured against a predetermined annual lease value figure, producing a value attributable to personal use; 2) the Cents-Per-Mile Method, where the value of personal use is determined by multiplying personal miles by a standard rate of 21¢ per mile; or 3) the Commuting Value Method, which gauges employee use for commuting purposes by assigning a flat charge of $1.50 per employee for each one-way commute.

For a more in-depth explanation of the ways in which personal use can be calculated, readers should consult Runzheimer International's *1987-88 Survey and Analysis of Business Car Policies and Costs*. Copies of the full report can be obtained by contacting Runzheimer International, Runzheimer Park, Rochester, WI 53167.

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TABLE V-4

Daily Auto Rental Rates by City and Region

REGION/METRO AREA	AVERAGE INTERMEDIATE DAILY RATE	AVERAGE COMPACT DAILY RATE
Northeast:		
Albany	$47.35	$43.75
Boston	63.65	55.00
Bridgeport-Stamford-Norwalk-Danbury, CT	47.35	40.50
Buffalo	47.00	43.75
Harrisburg, PA	54.65	44.50
Hartford, CT	53.35	50.25
Jersey City, NJ	N.A.	N.A.
Long Branch, NJ	N.A.	N.A.
Nassau-Suffolk, NY	N.A.	N.A.
Newark	57.65	53.75
New Bedford, MA	N.A.	N.A.
New Brunswick, NJ	N.A.	N.A.
New Haven, CT	52.35	48.25
New York	60.65	55.75
Philadelphia	51.00	49.25
Pittsburgh	56.65	54.25
Providence, RI	47.35	42.50
Rochester, NY	44.00	40.50
Springfield, MA	53.35	49.75
Syracuse	46.00	42.50
Worcester, MA	56.35	52.00
Regional Average	**$53.05**	**$48.15**

REGION/METRO AREA	AVERAGE INTERMEDIATE DAILY RATE	AVERAGE COMPACT DAILY RATE
South:		
Atlanta	$48.65	$47.00
Austin	46.65	41.75
Baltimore	50.35	49.75
Birmingham, AL	45.35	43.25
Charlotte, NC	47.00	45.00
Dallas	44.35	41.25
Fort Lauderdale	N.A.	N.A.
Fort Worth-Arlington, TX	N.A.	N.A.
Greensboro, NC	N.A.	N.A.
Houston	43.00	37.00
Jacksonville	38.35	35.00
Little Rock	45.35	44.25
Louisville, KY	48.35	43.75
Memphis	48.00	43.00
Miami	35.65	33.00
Nashville	46.65	44.75
New Orleans	44.00	42.75
Norfolk, VA	48.00	44.25
Oklahoma City	46.35	43.50
Orlando	36.00	32.50
San Antonio, TX	43.35	35.75
Tampa	35.00	29.25
Tulsa, OK	N.A.	N.A.
Washington, DC	58.00	54.75
West Palm Beach	N.A.	N.A.
Wilmington, DE	49.00	47.25
Regional Average	**$45.10**	**$41.85**

REGION/METRO AREA	AVERAGE INTERMEDIATE DAILY RATE	AVERAGE COMPACT DAILY RATE
Midwest:		
Akron, OH	$54.00	$47.50
Canton, OH	N.A.	N.A.
Chicago	55.00	54.50
Cincinnati	47.35	45.00
Cleveland	51.35	49.00
Columbus, OH	48.00	41.00
Dayton	43.65	40.50
Des Moines	40.00	37.25
Detroit	58.65	55.00
Grand Rapids, MI	N.A.	N.A.
Indianapolis	46.65	41.50
Kansas City, MO	46.00	42.50
Milwaukee	47.35	44.25
Minneapolis-St. Paul	46.65	45.00
Omaha	47.35	42.25
St. Louis	45.35	42.50
Springfield, IL	38.65	36.00
Toledo, OH	45.00	44.50
Wichita, KS	49.35	46.50
Regional Average	**$47.65**	**$44.55**

REGION/METRO AREA	AVERAGE INTERMEDIATE DAILY RATE	AVERAGE COMPACT DAILY RATE
West:		
Albuquerque	$45.35	$41.00
Anaheim	N.A.	N.A.
Boulder, CO	N.A.	N.A.
Denver	43.35	42.25
Fresno, CA	44.35	42.50
Honolulu	39.65	34.25
Las Vegas	40.00	36.00
Los Angeles	50.65	46.00
Oakland	N.A.	N.A.
Oxnard, CA	N.A.	N.A.
Phoenix	38.65	36.50
Portland, OR	N.A.	N.A.
Riverside, CA	N.A.	N.A.
Sacramento	45.00	41.50
Salt Lake City	45.35	40.50
San Diego	46.00	43.00
San Francisco	49.35	46.75
San Jose	48.65	45.25
Seattle	49.00	46.00
Tucson, AZ	37.65	33.25
Regional Average	**$44.50**	**$41.05**

U.S. Average	**$47.50**	**$43.85**

NOTES: Intermediate and compact rental rates have been obtained from Runzheimer International's annual survey of metro-area auto rental costs. Metros for which rates are not available are designated with an entry of N.A. Rates for Canadian metros are not available. Figures shown here are the commonly used, nondiscountable "dry rates," which means that the cost of fuel is not included. When comparing regional averages, allowances should be made for the fact that charges include free mileage ranging from 100 miles to unlimited.

SOURCE: Runzheimer International, 555 Skokie Blvd., Northbrook, IL

TABLE V-5

The Average Cost of Moving between Selected Cities

FROM / TO	ATLANTA	BOSTON	CHICAGO	COLUMBUS, OH	DENVER	DETROIT	HOUSTON	LOS ANGELES	MEMPHIS	MIAMI	NEW YORK	PHILADELPHIA	PHOENIX	ST. LOUIS	SAN FRANCISCO	SEATTLE	WASHINGTON, DC
ATLANTA		3408	2903	2428	4038	2807	2941	5873	2251	2645	3170	2959	4854	2538	6215	6373	2654
BOSTON	3408		3415	2848	5248	3019	4934	6830	3919	4193	2416	2431	6359	3611	6910	6785	2396
CHICAGO	2903	3415		2418	3379	2489	3651	5721	2764	4090	3284	3119	4914	2457	5868	5676	2931
COLUMBUS, OH	2428	2848	2418		4707	2118	3542	5870	2576	3484	2730	2586	5067	2294	6112	5979	2260
DENVER	4038	5248	3379	3707		3799	3369	3412	3367	5441	5014	4737	2866	3043	3754	3858	4565
DETROIT	2807	3019	2489	2118	3799		3950	6045	2872	4041	2922	2778	5280	2589	6134	6001	2581
HOUSTON	2941	4934	3651	3542	3369	3950		4453	2586	3658	4541	4380	3542	2924	5161	5956	4105
LOS ANGELES	5823	6830	5721	5870	3412	6045	4453		4965	6444	6757	6584	2376	5103		3634	6437
MEMPHIS	2251	3919	2764	2576	3367	2872	2586	4965		3238	3651	3378	4161	2137	5727	5956	3048
MIAMI	2645	4254	4137	3542	5441	4041	3658	6444	3238		4046	3798	5861	3667	6782	7073	3367
NEW YORK	3170	2416	3284	2730	5014	2922	4641	6757	3651	3999		2254	6253	3410	6887	6779	2407
PHILADELPHIA	2959	2431	3119	2586	4737	2778	4380	6584	3378	3751	2254		6072	3183	6764	6606	2213
PHOENIX	4854	6359	4914	5067	2866	5280	3542	2376	4161	5861	6253	6072		4249	2839	4161	5909
ST. LOUIS	2538	3611	2457	2294	3043	2590	2924	5103	2137	3667	3410	3183	4249		5657	5657	2969
SAN FRANCISCO	6215	6910	5868	6112	3754	6134	5161		5727	6782	6887	6764	2839	5657		3002	6572
SEATTLE	6373	6785	5676	5979	3858	6001	5956	3634	5956	7073	6779	6606	4161	5657	3002		6447
WASHINGTON, DC	2654	2396	3931	2260	4565	2581	4105	6437	3048	3367	2407	2231	5909	2969	6572	6447	

NOTES: All figures are stated in U.S. dollars and are based on an average move of 8,000 lbs. Prices exclude packing containers, unpacking, and any other charges, which may vary within the areas indicated and depend on the origin of the move. In addition, it should be noted that because moving rates are calculated from the city of origin, costs of moving between the same two cities may vary depending upon the direction of the move. Figures are calculated using tariff charges (filed with the Interstate Commerce Commission) as a base. As a result of deregulation, however, discounts among the prices listed may vary between individual carriers.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*

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TABLE V-6

Airfares For the 25 Most Traveled Routes

FROM	TO	ONE-WAY COACH FARES 1987	1986
Boston	New York	$64–$158	$59–$139
New York	Washington, DC	69–195	59–150
Chicago	New York	109–320	119–290
Los Angeles	New York	209–555	199–510
Dallas	Houston	59–205	52–180
Los Angeles	San Francisco	94–240	49–119
New York	San Francisco	234–585	199–565
Atlanta	New York	129–316	119–368
Detroit	New York	119–290	109–220
Dallas	New York	142–346	129–381
Denver	New York	229–465	149–420
Los Angeles	San Jose	79–240	75–121
Los Angeles	Phoenix	49–197	43–89
Buffalo	New York	80–180	59–155
Boston	Washington, DC	94–245	89–179
Chicago	Minneapolis	99–245	115–183
New York	Pittsburgh	80–225	69–200
Los Angeles	Seattle	119–350	109–320
Chicago	Detroit	49–205	99–180
Houston	New York	169–395	149–347
Chicago	Los Angeles	189–495	430
Dallas	San Antonio	59–205	52–180
Cleveland	New York	105–286	109–275
Chicago	Dallas	159–305	139–295
Chicago	Washington, DC	160–360	230–260
25-Trip Average:		**$213**	**$191**

NOTES: Fares listed are for typical daytime business travel and do not reflect night or other special rates. The figures shown represent the range of one-way fares from all airlines flying direct between the cities listed. All fares have been rounded to the nearest dollar.

SOURCE: Civil Aeronautics Board, *Passenger Origin and Destination Survey*; McCord Travel Services.

TABLE V-7

Average Cost of 15 Frequently Made Moves

FROM	TO	1987 COST	% INCREASE 1986–87
New York	Miami	$4,046	3.5%
New York	Los Angeles	6,757	3.5
Chicago	Los Angeles	5,721	3.5
New York	Chicago	3,284	3.5
Chicago	New York	3,284	3.5
New York	San Francisco	6,887	3.5
Los Angeles	New York	6,757	3.5
New York	Washington, DC	2,407	3.5
Chicago	San Francisco	5,868	3.5
New York	Houston	4,641	3.5
Los Angeles	Chicago	5,721	3.5
Los Angeles	Seattle	3,634	3.4
Los Angeles	Houston	4,453	3.4
San Francisco	New York	6,887	3.5
Washington, DC	New York	2,407	3.5
Average of 15 Moves:		**$4,850**	**3.5%**

NOTES: Costs are based on an average move of 8,000 lbs. and exclude packing containers, unpacking, and other charges which vary depending upon the origin of the move. Figures are calculated using tariff charges filed with the Interstate Commerce Commission. As a result of deregulation, discounts from these prices may vary between carriers.

SOURCE: *Sales & Marketing Management Survey of Selling Costs.*